

No. 1

MONDAY

Second Session

26th November 2001

Seventh Parliament

SAINT VINCENT AND THE GRENADINES

THE

**PARLIAMENTARY DEBATES
(HANSARD)**

ADVANCE COPY

OFFICIAL REPORT

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THE

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

PROCEEDINGS AND DEBATES OF THE FIRST MEETING, SECOND SESSION OF THE SEVENTH PARLIAMENT OF SAINT VINCENT AND THE GRENADINES CONSTITUTED AS SET OUT IN SCHEDULE 2 TO THE SAINT VINCENT AND THE GRENADINES ORDER, 1979.

FIRST SITTING

26th November, 2001

HOUSE OF ASSEMBLY

The Honourable House of Assembly met at 9:09 a.m. in the Assembly Chamber, Court House, Kingstown.

PRAYERS

MR. SPEAKER IN THE CHAIR

Honourable Hendrick Alexander

Present

MEMBERS OF CABINET

Prime Minister, Minister of Finance, Planning,
Economic Development, Labour, Information,
Grenadines and Legal Affairs.

Dr. The Honourable Rlaph Gonsalves

Member for North Central Windward

Attorney General
Honourable Judith Jones-Morgan

Deputy Prime Minister, Minister of Foreign
Affairs, Commerce and Trade.

Honourable Louis Straker

Member for Central Leeward

Minister of National Security, the Public Service
and Airport Development
Honourable Vincent Beache

Member for South Windward

Minister of Education, Youth and Sports
Honourable Michael Browne

Member for West St. George

Minister of Social Development, Co-operatives,
The Family, Gender and Ecclesiastical Affairs
Honourable Girlyn Miguel

Member for Marriaqua

Minister of Agriculture, Lands and Fisheries
Honourable Selmon Walters

Member for South Central
Windward

Minister of Health and the Environment
Honourable Dr. Douglas Slater

Member for South Leeward

Minister of Telecommunications, Science
Technology and Industry
Honourable Dr. Jerrol Thompson

Member for North Leeward

Minister of Tourism and Culture
Honourable Rene Baptist

Member for West Kingstown

Minister of State in the Ministry
of Education, Youth and Sports
Honourable Clayton Burgin

Member for East St. George

Minister of State in the Ministry
of Agriculture, Lands and Fisheries
Honourable Montgomery Daniel

Member for North Windward

Minister of State in the Ministry
of Foreign Affairs, Commerce and Trade
Honourable Conrad Sayers

Member for Central Kingstown

Minister of Transport, Works and Housing
Honourable Julian Francis

Government Senator

Honourable Edwin Snagg

Government Senator, Parliamentary
Prime Minister's Office, Special
Responsibility for Labour and
Grenadines Affairs

OTHER MEMBERS OF THE HOUSE

Honourable Arnhim Eustace

Member for East Kingstown/
Leader of the Opposition

Dr. the Honourable Godwin Friday

Member for Northern Grenadines

Honourable Terrance Ollivierre

Member for Southern Grenadines

Honourable Juliet George

Government Senator

Honourable Andrea Young

Government Senator/Deputy Speaker

Honourable Gerard Shallow

Opposition Senator

Honourable Major St. Claire Leacock

Opposition Senator

SAINT VINCENT AND THE GRENADINES

HOUSE OF ASSEMBLY

TUESDAY 26TH NOVEMBER 2001

PRAYERS

Mr. Speaker, read the Prayers of the House.

PROCLAMATION

The Clerk of the House read the Proclamation summoning the House to the second session of the Seventh Parliament

MINUTES

The Minutes of the sittings held on the 21st and 22nd November 2001 copies of which had been circulated previously, were taken as read and were confirmed.

STATEMENT BY MINISTER

The Honourable Prime Minister drew to the attention of Members for the House Standing Orders 62 (1) re Presentation and Second Reading of Appropriation Bill. It was not in keeping with the 1979 Constitution to state that the Estimates should be laid on the Table when the Appropriation Bill was debated.

PETITIONS

HONOURABLE GIRLYN MIGUEL: Mr. Speaker, I wish to lay on the table petitions for The Humble Petition of the Trustees of the Living Water Ministries International. The Humble Petition of the Trustees of the Wells of Living Water Church. The Humble Petition of the Trustees of the Apostolic Deliverance Church. The Humble Petition of the Trustees of Bethany Baptist Church. The Humble Petition of the Trustees of Mt. Halibeth Christian Church of the World Incorporation Diocese of Saint Vincent and the Grenadines.

I beg that these petitions be tabled.

The Petitions were ordered to lie on the Table.

PAPERS

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members I beg to lay on the Table the 2002 Estimates of St. Vincent and the Grenadines.

Mr. Speaker, Honourable Members I beg to lay on the table the Auditor's Report and Financial Statements of the National Insurance Scheme for the year ended the 31st of December 2000. That document has already been circulated.

Mr. Speaker, I know that the Orders of the Day are about to be called, I have asked the two members of the Opposition who are present here, what is the position with the other Honourable Members on the Opposition, and in particular the Leader of the Opposition, who is the spokes person on finance, and I have been informed by Senator Leacock that there is a genuine misunderstanding as to the start of today's proceedings, and we have accomplished some matters procedurally but I would like, Mr. Speaker, in the interest of transparency, and in the interest of good governance, and the fact that the Honourable gentleman would not absent himself from the House, either without informing the Speaker, or if there is some genuine problem, accordingly I would move a brief suspension until 10:00 a.m.

Question put and agreed to.

***House suspended 9:20 a.m.
House resumed at 10:01 a.m.***

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, I beg to move the approval of the Estimates for the year 2002 which have already been laid and circulated.

HONOURABLE LOUIS STRAKER: Mr. Speaker, I beg to second the motion.

Question put and agreed to.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members under Standing Order 12 (5) I beg to move that the proceedings of this day's sitting be exempted from the provisions of Standing Order Hours' of sitting.

Question put and agreed to.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, I beg to move the approval by this Honourable House of the Estimates of St. Vincent and the Grenadines for the year 2002 which Estimates have already been laid and circulated.

HONOURABLE LOUIS STRAKER: Mr. Speaker, I beg to second the motion.

Question put and agreed to.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, the 2002 Estimates amount to a sum of \$419,545,820.00, a decrease of \$18,162,693.00, or 4.15% when compared to the 2001 budget. The decrease represents an attempt by the Government to streamline the Capital Budget so as to include only those projects which will be implemented during the year or which indeed stands a realistic opportunity or chance of being implemented. As a result of this the capital expenditure is \$109,809,110.00 as compared to \$137,833,581.00 in 2001. This is a realistic and focused capital budget.

Mr. Speaker, Honourable Members for some time now international and regional agencies and organizations have been asking the Government of St. Vincent and the Grenadines and not only this Government of St. Vincent and the Grenadines, but the Government in the OECS to present realistic capital estimates which would form the basis of the Public Sector Investment Programme for a particular fiscal year. What has been happening in the past, is that the Government tended to present a wish list, some things which were put in the Capital Budget, did not go beyond just the conception, so if somebody has an idea, we are going to do something, they say okay, it is going to cost \$10 million they put it in the budget; no study, no carefully worked out idea as to the feasibility of the project, if it is a matter of a building, some physical structure, no drawings, no quantities, no detail costs, very importantly no identification of the source of financing, and they just chucked in there so that it appears as though you have a big budget. Well, now you fool no one but yourself. Because what that does, it induces cynicism on the part of the people. The people hear large numbers, extra ordinary numbers in some cases and then when there is no fulfillment, they begin to say that all that politicians do is just talk and promise and they even go further to say that they thief. So what we have to do is to bring those projects, which are likely to be implemented in the particular year.

Mr. Speaker, there is another dimension. The World Bank, the International Monetary Fund, the Caribbean Development Bank, Eastern Caribbean Central Bank, the OECS Secretariat, they all complain about these unrealistic Capital Budgets. So that you may have a Capital Budget of \$137 million but you have neither the money nor the capacity nor the preparation of the programmes to go beyond \$40 or \$50 million so you end up in the public service, once this is made law, have the public service scamping around in exercises of futility, rather than spending their time in a focus way to address items, which realistically can be implemented. And Mr. Speaker, this is what we have sought to do with these estimates.

I want to say further that, we have gone even the further extreme by trying to make the numbers so realistic that they may well be in some respects an understatement. I will give examples, we have Mr. Speaker, already \$4 million EC dollars to start the stadium, and I give this by way of an example, but yet, I think in the budget if I recall correctly we probably have just about \$1 million or under that earmarked for spending on the stadium next year. Why? Because you are going to take about 6 to 9 months to do all the requisite projects preparations before you can dig the foundation or prepare the site to actually start to spend the money. Similarly, we have \$3 million put aside to start the national library, the modern national library, but we do not put \$3 million in the budget for this year, I think the figure is \$750,000.00. So if it turns out that we can spend more than we budgeted we have the money put aside to actually do the spending more. Because there is a legal mechanism and procedure to spend more in those circumstances, so I think it is important for the public to grasp this, because we are so often taken in by what is bogus, what is a mirage and do not focus on what is real. I know sometimes it is adventurous to deal with what is bogus, and what is a mirage and untrained mischief makes a lot of head way in those circumstances, so I would expect it to be said among those who are not so sufficiently tutored in these matters or those whose tutoring has fled his or her breast and they would say that the ULP Administration is presenting a budget that is smaller than the NDP one for last year. But everyone will see the difference, because the proof of the pudding is in the eating, in the terms that I have explained on the capital side.

On the recurrent side, total recurrent expenditure is \$309,736,710.00 as compared to \$305,233,813.00, a 1.4% increase. So there is a decline on the capital budget of \$4.15 million and there is an increase of 1.48% on the recurrent side. The 2002 budget is financed by recurrent revenue of \$310,075,730, and capital revenue of \$109,470,090. Mr. Speaker, I would like to say this at the very beginning that the recurrent revenue of \$310,075,730. Is more revenue which is estimated to be collected than last year, but Mr. Speaker, I want to say this, we try to be realistic also in our revenue estimates. And more will be spoken about this during the course of the budget debate which will be launched on Wednesday. But Mr. Speaker, last year there was a revenue item of \$12 million which was to come from selling honorary citizenship, selling foreigners Vincentian citizenship which the Government knew would not have been collected, but simply put that figure in, to try to balance the budget on the face of it, so that in realistic terms on the face of it, not in terms of economic analysis, last year's budget was a deficit budget. But even in difficult circumstances, remember what I said Mr. Speaker, if you were to minus that \$12 million dollars last year's recurrent budget would have been a deficit budget on the face of it. Not in terms of the economic analysis, when account is taken of \$20 odd million dollars for the amortization of the debt. I want to make that point because I do not want it be thrown in my face to say well in the economic analysis it would not have been a deficit budget. I am speaking in terms on the face of it. Now, Mr. Speaker, we have had to make up that phantom \$12 million because items were already programmed in the recurrent

expenditure to take care of that \$12 million, and you just cannot in the structure of our own budget unprogramme \$12 million that easily in terms of expenditure. This 2002 budget comes on the heels of the supplementary estimates, which were approved in this Honourable House on July of this year. Given the shorter time frame for the preparation of the 2002 budget much of the improvements and the changes to the format and structure of the budget which were originally envisaged had to be deferred. For example, Mr. Speaker, Honourable Members, it is the policy of this Government. It is the intention to present henceforth a budget with a rolling three-year sets of estimates, so that you will have the instant year which is the real year and the other two years, the target years. And when the instant year, the real year, is concluded, another target year would be added so it always rolls for three years. Mr. Speaker, we would not be reinventing the wheel in that regard because that is something which has been addressed in other jurisdictions and as long ago as in the 1960's was advocated in the United Kingdom by the famous Clowden Report, but we believe it is a more efficacious way to present the estimates and would aid in better forward planning. Notwithstanding the fact, Mr. Speaker, that we have been unable in the short time period since in July supplementary estimates to make the requisite changes in the forms and structures of the budget. Significant efforts have been made to streamline the linkages between policy/strategy and performance/targets, these linkages can be gleaned from the corporate plans which form an integral part of these estimates and which the end of the day Mr. Speaker, will be laid before this Honourable House for the first time. I have received an advanced copy. Mr. Speaker, Honourable Members the public service, they have been working very, very hard to accommodate themselves to the busy schedule set by the political directorate that at this very moment they are still being stapled at the Printery. But this is a very important innovation, and I would explain.

Mr. Speaker, these corporate plans show the fundamental purpose of each Ministry/Department which is coined in a mission statement, a vision statement which encapsulates the future ideals positions, a swat analysis which identifies strengths, weaknesses, and opportunities and threats. In each Department or Ministry, look at the external environments and the way the impact on the Ministries, or the Departments ability to achieve its Mission which is set out in the Mission Statement. Out of this analysis some critical issues have emerged and are outlined in the plan as well as the broad response strategies to address these issues. In the near future the published plans will incorporate each ministry's or departments training proposals as well an organisational chart among other things.

Mr. Speaker, we are using more scientific approaches. Some people may say we are introducing into the public service sector some private sector management tools. But all this is designed to make more efficient to government. M. Speaker, I just want to, for the benefit of the public, and Honourable Members, to say how we proceed with these corporate plans. This document Mr. Speaker is 62 pages, every ministry or department there is a mission statement. Everyone there is a vision statement which

shows what is the ideal position we want to move to. There is then an analysis of strengths, weaknesses, opportunities and threats. Then out of that analysis, critical issues are identified and then strategic responses are fashioned for the bundle of strategic issues. And Mr. Speaker we will even go further and as I said incorporate for each of these what is your training proposals. What are the institutional mechanisms you have to deliver what you say you are going to do in your strategic responses and what is the clear line up march and organizational command structure through which these are to be achieved. These broad strategic objectives.

The plan however is not an end in itself. It forms the basis for the allocation of resources. As a consequence, in the 2002 budget a list of the result indicators for the 2002 fiscal year, (Mr. Speaker, if I may just say the nomenclature has been changed from 'key indicators' because we believe that in a budget we should have mutual formulae. I would not have wanted to call them 'star initiators' so we call them result indicators). For 2002 fiscal year given the resources provided, and have shown for each ministry and the department this, Mr. Speaker, Honourable Members is the golden thread linking the corporate plan with the estimates. This corporate plan in process is a dynamic one. It is not static and I go further Mr. Speaker, it is not mechanistic in an either or sense, it is organic in that the whole is more than a summation of the individual part and consequently in such circumstances there will be alterations, and changes as a dynamic situation demands so that the affected sectors will necessarily have to be monitoring all the time the performance and the external environment and the capacity and the host of other variables and constants to adjust their plans. In fact, this is a formal requirement. Mr. Speaker, I want to say that these corporate plans have been arrived at after extensive discussion within the public sector. When taken together the budget and the associated corporate plans are designed to provide a framework for addressing national issues, in holistic and a fulsome manner. The corporate plans, the estimates and the appropriation bill, will be used as the basis for a detailed formulation of operational work plans with specified work plans to ensure a more efficacious implementation of the Government policies and programmes. So that, Mr. Speaker, when we have adopted these estimates today, when we go on Wednesday and on the conclusion we adopt the Appropriation Bill, rising from the budget debate, those two sets of documents and ideas generated, plus the corporate plan would be used as the basis to work out detailed work plans with specified time lines, who is to do what, when they are to be done so that we can have a more efficacious implementation, a better, more timely and fulsome implementation of the Government's policies and programmes. These work plans will be drawn up in December 2001. I know the public servants, when they hearing me on this they might be saying, the Prime Minister does not want us to have even a little rest over the Christmas. Well, you will get your holidays at Christmas, and New Years as the law requires but Christmas, the month of December is still a month to work. And it is that month we are going to draw up the work plans. So that when January cometh we can just kick off, because we have the resources available and everything is in place. I

noticed some Honourable Members on the Opposition smiling, and the finely tuned machine which is on the road, well that is how the ULP Government functions.

I want to say, Mr. Speaker, that there would be full consultation, for the working out of these plans with the National Economic and Social Development Council, the tripartite Committee on the economy, the Cabinet Committee on the economy and the relevant stakeholders including the senior public servants.

I now turn, Mr. Speaker, Honourable Members to the detail of the estimates. Expenditure, as stated above, the recurrent expenditure budget of \$309,736,710.00 represents an increase of 1.48% over the 2001 recurrent budget of \$305,230,813.00. The increases are in the area of wages and salaries \$2.58 million. Pensions and NIS by contributions by \$1.05 million. Debt servicing by \$0.77 million and goods and services by \$0.53 million. These increases are tempered by a reduction in other transfers by \$0.69 million. The full composition of the recurrent expenditure estimates is as follows. Wages and salaries 2002, \$145.23 million. A 2% increase over 2001. Pensions and NIS \$15.63 million, a 7.2% increase over 2001. Other transfers 28.43 million, a decline of 2.7% over 2001. Debt servicing, \$54.79 million an increase of 1.43%; goods and services \$65.8 million an increase of 0.81% over 2001, total \$309.73 million, an increase of 1.48% over the 2001 recurrent expenditure.

I turn now to wages and salaries; Honourable Members would note that the increase on wages and salaries is restricted to 2% which is relatively small. The main reason for this is the wage freeze, which was announced by government early this year and which was met with general understanding from the public sector workers and the public at large. I trust that this spirit of together now will continue. This freeze applies to all current wage contracts and the public sector and the labour unions had given their agreement to this position. The 2% increase in the wage bill is as a result of two main factors. Mr. Speaker, if I may say, I must record my tremendous appreciation and that of the country, for the national approach taken by the leadership of all the trade unions and also of the National Labour Council in this matter. Mr. Speaker, they also acknowledged that the very sound policies and performance of the Government facilitated their adoption of the position to support and in some cases even advocate a wage freeze in the public sector. The 2% increase in the wage bill is as a result of two main factors. 1. Normal increments, which the Government has agreed, will continue. Mr. Speaker, I will say this, in some countries, in St. Lucia for example, where their economy has been assessed to have been in a better shape than that of St. Vincent and the Grenadines when we arrived in office and that consequent on the events of September 11th there is a wage freeze in St. Lucia in the public sector but it also relates to the increments, but we have not suggested the wage freeze on the increments or allowances which the teachers for example will get. They will still get their allowances. Mr. Speaker, if I may say this, a decision has been taken to correct anomalies in the private secondary schools, but which are assisted by the Government

that all the teachers who are there, those who are hired by the Government and paid by the Government and those who are not hired by the Government but nevertheless paid by the Government, and once you are paid by the Government you will get the same allowances. 2. Increases in the number of positions in some Ministries, the main ones are as follows; 1. Twenty-two new positions in the police force in order to assist in addressing some security concerns in the country. 2. The establishment of a new unit in the police force to deal with violence against tourists, this tourist police unit will be equipped with the necessary tools including hand-held radios and vehicles and will be staffed initially with 15 persons, in this regard auxiliary police officers will be used given their training and orientation. 3. One of the other security concerns of the Government within recent time has been the prison. There has been much unease among the staff concerning their hours of work; accordingly provisions have been made in the estimates to increase the staff at the Prisons by 13 persons. 4. Mindful of the potentially devastatingly impact of the AIDS epidemic, the Government has significantly increased the size of AIDS unit within the Ministry of Health to include that of Director, Psychologist, four counsellors and a social worker. In addition, seven posts of student nurses have been provided at the school of nursing. 5. In the Ministry of Agriculture provisions have been made to engage about five extension workers who are to be displaced by the restructuring of the St. Vincent and the Grenadines Banana Association which is part of the wider restructuring of the industry; these workers will be employed by the central government to provide some of the customary services for banana farmers. They will be supported by other agriculture extension officers, in the Ministry.

Mr. Speaker, it will be noticed that while we are restructuring the banana industry, we are doing it in such a way that we will save people their jobs. Yet at the same time have them do productive things, in this case in the Ministry of Agriculture. Retiring benefits from NIS; these items will be affected by the wage freeze, announced by the public sector as this freeze will also apply to persons receiving pensions from the Consolidated Fund. The increase in the provision is required in order to ensure that adequate allowance is made for this item which has in the past been under provided for. I think that is an important point we have to reflect upon during these debates and we have to address the question very seriously, all of us. During this debate and afterwards about pension issues for public servants, it is a most important question. For example, Mr. Speaker, we had the actual expenditure and retiring benefits under programme No. 250 was \$12.86 million as compared with the budgeted amount of \$10.3 million in 2000. So there has been a tendency to under budget, but in these estimates we are trying to put a figure which is more realistic.

Other transfers, this category of expenditure is comprised of contributions to regional and international organisations; grants and subventions to individuals and organisations and social welfare payments. This reduction is as a result of 1. A rationalization of the public assistance lists which in the past include phantom

recipients. The tidying up of the list has resulted in some savings to the government, all deserving persons will continue to receive assistance and indeed, Government proposes to add persons afflicted with AIDS and who have no other means of support to the list. 3. The figure in 2001 also included payments to residents of Gibson Corner which are not repeated in the 2002 Estimates. So if you see under the Social Development Ministry a small decline in the figure for these other transfers you would find that there is a one off payment last year under that category for the residents at Gibson Corner and therefore that is not repeated. Notwithstanding, this decrease funds to the tune of \$4 million have been provided to meet our current commitment and to substantially reduce our arrears to the University of the West Indies. Similarly, we have made arrangements to the OECS for a reduction in our arrears. When we took office our arrears to regional and international organisations amounted to \$10 million and this has now been substantially reduced.

Mr. Speaker, I want the public to know that in addition to the \$640 million of disbursed contracted debt, house keeping debts, payables to a number of regional and international organisations, we were in substantial arrears. For example in CARICOM, \$0.35 million, CARDI \$0.15 million, Caribbean Export Development \$0.14, International Civil Aviation \$0.16 million, Interpol \$0.28 million, the OECS \$3.5 million, regional security system \$0.35 million, United Nations Development \$0.88 million, United Nations Environmental programme, \$0.2 million; United Nations regular budget \$0.6 million; Universal Postal Union \$0.1 million; University of the West Indies \$7.05 million. These are only some. In excess, Mr. Speaker, of \$10 million dollars, more like \$12 million. These payables, the so called house keeping debts amounted to a sum in excess of \$25 million because what I spoke about earlier were those that were owed, the \$10, \$12 million of what was owed to regional and international organisations. But in addition there were other monies owed like the Government owed \$7 million dollars to the Kuwaiti contractors, on the cruise ship pier and ferry berth, they owed over \$2 million on the Central Market which indeed Mr. Speaker, when we came to office, it was incomplete and we had had to try to do some finishing there and Slicks we know is now upstairs with a very good restaurant and a hype of activity is now taking place at the Central Market all because of the work of the ULP Administration over the past eight months.

Public debt. The Government's strategy is to keep the public debt and debt service payments within manageable limits. At the beginning of 2001 total public debt amounted to \$640 million or 65% of the GDP, this is slightly outside the targeted corridor, as recommended by the Eastern Caribbean Central Bank. Accordingly we have been attempting to reduce the debt ratio by a mix of policies, for example, growth in the economy, debt forgiveness, and prudent management of the public finances and by ensuring that loans contracted are used in the most efficacious manner. The increase in debt service payments in 2002, and you notice they have been quite slight would have been much higher, if provisions were made to service the United Kingdom

loans and the Ottley Hall loans for the government, for which the Government has obtained and is seeking debt forgiveness respectively. We have obtained debt forgiveness from the United Kingdom loans and we are seeking debt forgiveness from the Ottley Hall loans and look quite promising.

Mr. Speaker, I want it to be drawn to the public's attention that all the debts which you will find in the appendix of the estimates at pages 493 and following, that there is only one new debt there as of the 30th of the 9, 2001 and that is the CIBC West Indies Holdings of \$10 million, for which we would have to pay the interest of \$2.7 million. Now Mr. Speaker, that is part of a \$30 million loan which we have concluded and that is part and parcel of the framework of loans which we have decided to carry on with, which loans were not negotiated by the previous government. \$20 million from Royal Merchant Bank and we initiated discussions for a fairly good loan of \$30 million from CIBC West Indies Holdings in order to be able to finance the capital budget which was presented last year for this year. And we have savings from those monies which helped us to kick off our plans for the year 2002. Goods and services, Mr. Speaker, so that the public can rest assured that we are handling this matter in a very prudent way. The hands are safe and the affairs of Government and particular in relation to financial matters, the public can be assured that the safety of these hands are better than even the most outstanding wicket keeper for the West Indies, who I believe is Jackie Hendricks.

Goods and Services. The 2002 provisions for goods and services is slightly higher than the amount for 2001. This reflects the attempt by the Government to control and reduce where possible it's operating cost. The public can be assured that services provided for the poor and needy in health and education will not be compromised as a result of this policy. In deed as already mentioned we are increasing our expenditure in dealing with the threat of AIDS and we are also increasing both our capital and recurrent expenditure in education. We are increasing both our capital and recurrent expenditure in education. We have to educate the young of this nation.

Tourism. In the Tourism Sector the one that is most likely to be affected by recent terrorist attacks in the USA. We have increased the expenditure on promotions; we have also provided for the establishment of a national park's commission and have transferred the operations of the Botanic Gardens to this Ministry from the Ministry of Agriculture. On the other hand we have realized substantial savings from the closure of the Dallas and Toronto offices, plans for the opening of a representative office in Miami has also been put on hold.

Telecommunications, Industry, Science and Technology. We have transferred the information, technology service Department which was formally under the office of the Ministry of Finance to this Ministry. We have also established a separate programme for Science and technology to give it greater prominence and focus. A new position of

senior economist has also been provided which reflects the importance which this Government attaches to this sector. The changes in the Ministry combined with those of DEVCO will provide a flip to the information technology and manufacturing sectors and help in the creation of jobs, income and foreign exchange earnings.

Foreign Affairs and Trade. In this Ministry we have embarked on a programme to bring greater coherence to all foreign policy matters. In this regard, a position of Director of Foreign Policy and Research has been created and it is our intension, Mr. Speaker, Honourable Members, to have that person also be a non-resident ambassador to CARICOM, also indicating the importance we place to regional affairs. In addition, our efforts to provide a better linkage to the Diaspora have resulted in the separation of New York Consulate activities from those of the Mission to the United Nations. Of great significance is our efforts to coordinate our representation and promotional activities. To this end the activities of the Toronto Consulate and tourist office have been merged. In the case of New York and London, efforts will be made to have certain staff members perform dual functions.

The Ministry of Social Development has recast its focus to establish a family service department. This essentially gives the department a wide scope and enables it to fulfill its mandate. In addition, the portfolio of disaster preparedness has been transferred to the office of the Prime Minister. This allows the Ministry of Social Development to concentrate on local government issues. The skills training programme has also widened its scope to cater for both adults and young persons, who do not display the aptitude for formal training. The Ministry has also reshaped the gender affairs division, formally women's affairs to also broaden its mandate. In keeping with the general trust of this Ministry, the Liberty Lodge programme has also been transferred to this Ministry from the Ministry of Education.

In Education Mr. Speaker, the computerization of the schools programme has resulted in the creation of a post of an IT - Information Technology administrator. Further, the institutionalization of the Youth Empowerment Service will enable the Youth Department to play a meaningful role, in the development of our young people, essentially education has received a significant outlay of recurrent expenditure to the tune of 18.01% of the recurrent budget and this figure excludes the financial contributions to tertiary educations.

National Security, earlier I alluded to the improvements of the establishments of the police Department and the Prisons aimed at mitigating the security concerns of the country. The establishment at the ET Joshua Airport has also benefited, of an additional air traffic controller 2 and a Senior Airport Officer.

Agriculture, the major changes in the Ministry of Agriculture have been the removal of the recreational sites programmes, and the Botanic Gardens to the Ministry of Tourism.

Further, the Land Management Unit has been merged with the Land and Surveys Department on account its restrictive mandate. This merger is likely to result in greater efficiencies and during the budget debate, Mr. Speaker, the nation will have, and this Honourable House will hear the agricultural development programme.

Transport, Works and Housing. The allocations from the recurrent estimates to this Ministry show a slight reduction. This is simply a reflection of the major rehabilitative works which were done during the latter half of the year on the schools repairs programme. Further, substantial provisions have been included in the capital estimates for comprehensive rehabilitation of rural clinics and health centers and police stations, just as we did the schools with almost military type precision and operation, we are going to do the same thing with the clinics and we are going to do that also with the police stations, particularly the rural stations, and throughout St. Vincent and the Grenadines.

The programme to rehabilitate the clinics and rural hospitals in early 2002 has also contributed to this reduction as well as the movement of the Telecommunications Unit to the Ministry of Telecommunications. So in real term there is actually an increase for Transport Works and Housing but it does not reflect on the nominal figures because of those changes which I have just indicated.

Health and the Environment. The Ministry of Health continues to receive a significant allocation of the recurrent budget, some 13.04%. Some of the major initiative in the Ministry have been highlighted earlier, such as the boast given to HIV/AIDS, STI programme. In addition, an attempt has been made to respond to the chronic shortage of nurses by the provision of an additional seven position of student nurses. This will allow the Government to increase the number of persons trained, and we expect to fully make good on the nursing shortage in a few years time.

The revenue side. The recurrent revenue budget for fiscal year 2002 is \$310,075,735.00, which is \$4.4 million or 1.4% higher than 2001 revenue budget. The increase in revenue is expected to come mainly for tax revenue sources in the form of additional revenue measures which are to be introduced but which will not affect the poor and from the general workings of the economy. Revenue measures to facilitate, enhance private sector production of goods and services will be introduced, which means that they can anticipate in the budget speech some concessions, the productive sector.

Capital Expenditure for the fiscal year 2002 amounts to \$109,809,110.00 which represents a decrease of \$22.67 million or 17.11%, this I have explained earlier in terms of presenting a realistic capital budget. The sectorial allocations in the capital budget are as follows: Transport, \$26.5 million, or 24.14%. Education, \$23.6% or 21.49%. Mr. Speaker, it should be pointed out, that this figure for education is an

increase over last year's budgeted allocation of \$22.64 million, which was 17% of the 2001 capital budget. In this capital budget, education represents 21.49%. Community Services, \$15.2 million, or 13.4% of the budget. Agriculture \$8.47 million, represents, 7.7% of the capital budget. Health \$3.76 million representing 2.79% of the capital budget. Tourism, \$1.76 million, representing 1.6% of the capital budget, and others, 31.2 million representing 28.4% of the capital budget. The capital programme of the Government is intended to achieve the following objectives. 1. To promote development education and training of young people. 2. To assist in the reduction of poverty leading to the strategic objective of eradicating poverty in the shortest possible time. 3. To stimulate the production sectors in the aftermath of the terrorist attacks. Under education Mr. Speaker, on the capital budget it noted already that it is 21.94% of the budget, very hefty. Some of the major projects on the capital side of the 2002 budget in education are as follows. Construction of the Peruvian Vale Primary School, \$1.5 million, construction of a new science lab, at the Bequia Secondary School, \$0.7 million. Upgrading of school premises at Owia, Stubbs and Biabou, housing in the Grenadines and consultancy fees on the Girl's High School and the Boy's Grammar School, \$1 million. Computerization of Schools \$4.16 million dollars. Post secondary facilities designs and we want to see the commencement of the implementation, but these designs are \$2.4 million. Youth Empowerment Service \$1.68 million dollars, basic education project to complete the schools at Sandy Bay, Byera and the extension at Tourama \$6.67 million.

Mr. Speaker, I turn now to a very important area of these estimates. **Poverty reduction.** Another area of focus, and we have mentioned education, there Mr. Speaker, of this administration is the eradication of poverty. We have included a number of programmes and projects in the estimates which are aimed at addressing this issue directly, since we are convinced that our interventions in education, social development, agriculture and so forth are all geared towards the eradication of poverty. The direct interventions include, Mr. Speaker, and for the first time, and I want the poor people to listen to this very carefully, for the first time, there will be in this budget, the establishment of a poverty alleviation fund. And this the financing will come in part from the European Union. We expect that the private sector and the NGO's will also contribute and we are putting \$0.25 million in the estimate to establish this fund, but we are looking at \$10 million for this fund, and I want to assure Honourable Members that it is likely, during the early part of next year that substantial monies will come from the European Union to augment what we are putting in for a thorough going programme to address the concerns of poor people. This is Labour Government. This is a poor people's government.

Mr. Speaker, I will just read some of the items. In addition to the poverty alleviation fund which we are establishing, the social recovery programme intended to provide support for communities displaced by the decline in the banana industry. \$0.5 million. Small and micro enterprises project \$0.5 million. The BNTF phase 5 programme \$2.2

million dollars. This programme provides basic infrastructure facilities and training to needy communities. Further capitalization of the Development Bank \$0.75. Community Development, for community centres \$0.2 million. Community based initiatives, such as certain toilet facilities \$0.123 million. Children and families legislative reform \$0.025 million. The upgrading of roads and small towns, \$0.2 million. Rural community development, \$0.158 million. Community playing fields, \$0.92 million. Agricultural diversification \$3 million. National Irrigation projects \$2 million. Agricultural Diversification programmes to further programmes as distinct from the \$3 million dollar project, both of them coming up additionally to \$1.13 million. Feeder roads \$0.2 million. Rural electrification \$0.15 million. Upgrading of roads \$0.85 million. Housing Development, poor people should listen to this, \$2.5 million. Resurfacing of highway and suburban roads, \$1 million, rural development, BNTF 4, \$1.2 million. Labour intensive road maintenance programme \$3 million. Feeder roads, \$1 million. The transinsular road project for which we have US \$20 million put aside, \$54 million EC, we intend to spend \$.5 million next year to do the beginnings to the cross country road. Multipurpose Centre, Colonarie, \$0.30 million, Louis Punnet Home Development, \$0.175 million. Upgrading of Metal Health Centre, \$0.1 million. HIV/AIDS management project, \$0.4 million. Kingstown Development Phase III, \$1.2 million; improvement to primary health care \$0.35 million. Marion House support programme, and I want the people at Marion House to hear this, \$0.5 million. They deal with poor people. Dallaway Water Treatment \$1 million. Solid Waste management. \$1.6 million dollars. Human Resource Development, informatics, \$0.56 million; small business development \$0.44 million; restoration of Garrifuna Culture \$0.03 million. Tourism development project \$0.5 million; Buccament Valley Development project \$0.25 million; nature tourism, \$0.28 million. Heritage tourism project \$0.32 million. And the poor people in Mt. Grenan, Diamond, up at Dr. Smith Village, and Dondo Hole in Park Hill, the \$22 million dollar water project will commence next year, all these are programmes for poor people. The sums which I have named, Mr. Speaker, outside of the water project which I have just mentioned come up to \$30 million and when you add the capital sum for education of \$23.6 million; once funds directly \$50 million connected immediately to poverty alleviation. These figures do not include the sum of \$2.68 for public assistance and materials assistance, they do not include the recurrent expenditure on education of \$50 million, and some \$40 million dollars for health. Servicing mainly for poor people. Thus Mr. Speaker, between a \$150 million and \$200 for the budget, directly or indirectly, connected to poverty alleviation. This is a set of estimates for poor people.

HONOURABLE MR. SPEAKER: The Honourable Member has 10 minutes.

DR. THE HONOURABLE RALPH GONSALVES: I am obliged, Mr. Speaker. The productive sector initiatives. In keeping with the Government plans for economic stabilization, consolidation, renewal/recovery in this new period, we have included a number of projects to assist in stimulating the productive sectors. Mainly, tourism and agriculture

and also areas in information technology. Mr. Speaker, I will list some of them, because time does not permit me to go through the 188 capital items in this budget, some of them of course like the \$7 million for Kuwaiti contractors and like for the Central Market, to spend monies in relation to things, already dealt with but there is a substantial programme, a realistic programme as I have outlined so far, and I will name some of the others because time does not permit me, and other members of this Honourable House will no doubt address the details, including, I am hoping members of the Opposition who will identify many of these very good capital projects which are in the estimates. Not only identify them but identify with them. Some I which to highlight in relation to the productive sector, are the following, a heritage tourism project to assist in the restoration of Fort Charlotte. A nature tourism project to improve recreational sites at Argyle, Richmond, Biabou, Layou, and Union Island. I understand the people in North Leeward are looking forward with great interest to their craft village. Great, great interest. And I understand also, that there is a special programme which is being designed for within the frame of the Garifuna culture programme, a Garifuna Village up at Orange Hill. You have to touch the soul of the people, man. You have to touch the soul and their existential being. You have to do it. This is a civilization which is independent and authentic, we are not a banana republic led by cautious, wait and see people, squirming to the dictates of everybody else, including untutored mischief.

Mr. Speaker, the Buccament Valley development project plan for the improvement of the Vermont Nature Trail and the Buccament Petroglyphs. A tourism development project to assist in the general development of the tourism sector, and that is a big one. That document is now before Cabinet, to be approved and we are quite confident that this would be approved also for funding by the European Union. Projects for improvement at Mt. Wayne Beach, Botanic Gardens. Human Resources development in the informatics sector for the training programmes in the information technology, agricultural diversification programme which includes an amount for the establishment of an agricultural diversification fund. And Mr. Speaker, when we come to the revenue measures you will see some of them which would link directly to our establishment of the agricultural diversification fund of \$3 million. The national irrigation project which would provide for irrigation of additional lands, additional capitalization of the Development Bank. The equity investment in LIAT to purchase additional shares in the airline, \$2.9 million dollars to improve the air access to St. Vincent and the Grenadines. And Mr. Speaker, LIAT is seeking in placing their bonds, what we are having is the equity investments from the right issue, but they are seeking to get VINLEC to put \$2 million short term in their bonds and that is current under consideration because we have to strengthen our air access in the circumstances in which we find ourselves. We are not sitting down twiddling our toes and waiting to see if we can find, \$300 million to go at Kitchen, or at Argyle where we have to do about 3 years of wind study. That is on the programme too, but we would have to deal with air

access. We have to help LIAT and we have the hub arrangements worked out in St. Lucia and we will be doing so for Barbados.

Mr. Speaker, unlike in previous years Government has insured that funds required to finance the capital budget are available so implementation of the programme can start very early in the year. I want to repeat that, unlike in previous years, Government has insured that funds required to finance the capital budget are available so that implementation of the programme can start early in the new year, and we are building our technical capacity too in a number of ministries, including the engineers out of Cuba. I am pleased to inform this Honourable House that funds required are already in place and in some cases the monies are already in place and in some cases the monies have already been deposited in the banks, including the \$4 million on the grant from Libya to begin the construction of the stadium. From the Republic of China for the partial financing of the National Library and other projects and loan funds from CIBC and the Royal Merchant Bank.

Mr. Speaker, in the difficult circumstances after September 11th it is a tribute to this Government that they have been able to present estimates which are balanced on the recurrent side with clear focus policies and capital budget where the monies are available realistic and where education and poverty alleviation are among the most vital elements in our budget. The young people and the poor can look forward towards a better year next year and the business community can look forward to the stimulation of the economy and concessions which will come with them. Which will be detailed in the revenue measures which I will announce on Wednesday. Mr. Speaker, it leaves for me now just to say two things, 1. To thank most profoundly and sincerely the hard working staff in the Ministry of Finance and Planning, all the leaders in the Ministry of Finance and Planning, the technical staff, the supervisory and administrative staff; [Interjection]. Well the Director General of Finance and Planning is excellent, so is the Budget Director, so is the Director of Planning and other economists within the Ministry and of course our slightly older guru Mr. Simms Martin, the special advisor. But I want to say this, it requires not just the existence of skill but leadership and policies which are efficacious to bring everything together to have a successful conclusion. That is what is required. There is a different spirit in the public service. Last night I was there until 11:00 p.m. with them. Because as soon as I left the party convention and I reached down there it was after 7 and I stayed there about 11. We all working together as professionals respecting one another but of course they are steeped in the principles of constitutional governance they will know that on the critical issues where the Government call is necessary that will be the job of the Minister of Finance. But I want to thank them most sincerely. We are working as a tremendous team, it is not a question of Prime Minister, Minister, even though the respect is there, but one of colleagues working together in the interest of St. Vincent and the Grenadines. I do not think that it is possible for any government to have presented a better budget, better set of estimates than these in the trying circumstances despite the facts that we have

been given a very bad hand. It is the way you play your bad hand and I want to say Mr. Speaker, I expect that when the time comes that despite some criticism here or there, some insights which we may or may not have considered, that some may emerge from the opposition, but I am hopeful that at the end of the day they will give their approval also to these estimates. I wish these estimates a safe passage in this Honourable House. I am obliged.

HONOURABLE MR. SPEAKER: Before we continue the debate, I think we are supposed to be taking a picture, a group photo. The photographer is here.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, I was just thinking that I am not so sure that some members thought, -- I noticed that some members do not have their best jackets. Some members have some working jackets. I do not know whether they are waiting until later when they get their free barrels. And I also, very importantly that the Honourable Member for the Northern Grenadines is not here and I would like very much all of us to be here, so we do not put in an inset. I do not believe that Mr. Rogers would be too inconvenience and if he is we do apologize sincerely to him. Perhaps what we can do, we can do it on Wednesday when everybody would be here but perhaps we can come a little earlier maybe at 3:00 p.m. We can arrive here at 3:00 p.m. and do the photograph session and simply hang around and wait until His Excellency. Well I would probably have to leave to come, there is a particular protocol on that day. I do not know if you would accept that suggestion, Mr. Speaker, and if the Leader of the Opposition thinks that that is a reasonable way to proceed.

HONOURABLE MR. SPEAKER: I think I would appreciate the coming in a little earlier because Senator Young has indicated because of other matters she would not be here.

DR. THE HONOURABLE RALPH GONSALVES: I believe the event that Senator Young has to attend may be 3:00 o'clock may be able to satisfy her and she could leave for it and go; she nods yes.

HONOURABLE MR. SPEAKER: Fine, then we would proceed that way. We are sorry, Mr. Rogers I am sure you understand, the position. Thank you, very much. We will continue the debate then.

HONOURABLE ARNHIM EUSTACE: Mr. Speaker, Honourable Members of this House. First of all Mr. Speaker, let me apologize for coming in late this morning, somehow, I was still under the impression that we were starting at 10:00 a.m. and that is my fault and I apologize to you Mr. Speaker, and the Members of this House.

Mr. Speaker, I have listened very carefully to the presentation of the Honourable Prime Minister and Minister of Finance on the estimates. And he has made a number of

points, some of which I would respond to, in this presentation but like him, some of them will come during the budget debate itself. Mr. Speaker, right at the outset the Prime Minister indicated that the budget or the estimates that he has presented to this Honourable indicates that the budget would be smaller by some \$18 or so million dollars. I think he assumed Mr. Speaker, that is a matter with which I would find fault but I am an economist and understand Mr. Speaker, some of these things. My concern, Mr. Speaker in relation to the Estimates has to do with how the estimates respond to the current economic situation not only in our country Mr. Speaker, but in our region as a whole and internationally. So I do not have any great problem with a smaller budget. I think that I can recall that my second budget was smaller than my first as Minister of Finance. So that is nothing that is particularly new. The Prime Minister's concern about having a capital budget, Mr. Speaker, that reflects project which one is reasonably sure can be implemented during the course of the year, again is nothing new, Mr. Speaker, that is something that every Minister of Finance has to deal with, year after year. And there are a number of factors Mr. Speaker, that impeaches on one's ability to be able to handle the capital programme, and I do not want to go into that in any degree now. Mr. Speaker, therefore, I have no fundamental difficulty with a smaller budget but I said I did the same thing before.

Mr. Speaker, I recall that a couple of years ago when we introduced the Programme Planning and Performance Budgeting System in this Honourable House that the current Government, then in Opposition made very heavy weather Mr. Speaker. They criticized that system mercilessly in this Honourable House. Several members on that side, I am pleased to see Mr. Speaker, that good sense has now prevailed and that very system is the one that is being used for this supposedly new budget or these new estimates.

Mr. Speaker, that is probably the fundamental differences between the approaches that we have to issues of this sort. I am pleased Mr. Speaker, that the Prime Minister sees the wisdom of corporate plans, that is part of that system. He sees the need for analysis, he looks at the threats and the opportunities that is nothing new. Essentially, Mr. Speaker, the system of budgeting outlined in this presentation is what we have had for the last couple of years, maybe three years. And I just want to congratulate the Prime Minister for seeing the wisdom that we had at the time when we in fact brought that system to this Honourable House.

Mr. Speaker, there are certain broad highlights to which I would wish to draw attention. First of these Mr. Speaker, has to do with wages and salaries as a percentage of the total expenditure and I see it works out to wages and salaries and other emoluments, and I see it works out to wages and salaries and other emoluments, I see it works out to 51.8 % which was where we were in the past. And as the Prime Minister well knows there has always been pressure brought to bear on us Mr. Speaker, by the International Community particularly the IMF to keep our wages and salaries within

50% or less, and we have been at pains to point out Mr. Speaker, that in many instances because we are a plural country and we have to duplicate services in other islands, it is not always easy to comply with that requirement to keep wages and salaries within the framework of a 50%. We duplicate customs services, we duplicate port services, we duplicate airport services, all of these in another country would fall in one location and therefore the amount of persons required Mr. Speaker, to manage such services, could be substantially less. So it is normal Mr. Speaker, to expect that in our case we are likely to have some difficulty in meeting that target, so I understand that very clearly, perhaps I should, -- while I am talking on this Mr. Speaker, I should draw to attention something that I am not clear of, it might just be a typo, and relates to the pension, retirement benefits under the Ministry of Finance on page 95, I see that amounts to \$12,230,000 but in Romans V, I think, which is \$15,630,000, I believe there maybe some transposing of figures. So I just draw that to attention.

Mr. Speaker, I also recall in previous presentations of these estimates that much heavy weather was made about the need to have contingency fund, so that we can minimize Mr. Speaker, the need for special warrants and supplementary appropriations. Again I see that in this budget despite the frequent cries of those persons who now sit in government that we have this contingency fund, I note again that the contingency fund is absent. And again, Mr. Speaker, I put that down to part of the learning process to which this Government is now going, because I was at pains to point out, Mr. Speaker, the difficulty of providing a contingency fund without finding some meaningful source of revenue to so finance such a fund, and I note Mr. Speaker, that there is no contingency fund provided in these estimates.

Mr. Speaker, the point of all this is that preparing estimates, managing the finances of these countries including our own is not an easy task. It is fraught with a number of difficulties and one has to wear the shoe to feel it, to feel where it pinches and I think what is happening when I look at these estimates they are not fundamentally different from any other estimates that are prepared here over the last three years.

Mr. Speaker, the Prime Minister in his presentation made reference to the provision of \$12 million for honorary citizenship programme and the difficulties brought to him in trying to get a balance in this budget and he has said that he has been able to achieve that balance. What he has not said Mr. Speaker, is that while last year we paid \$7 million on the Ottley Hall debt for 2002 none is proposed as far as the estimates are concerned. So he too had he included that would have had a deficit budget and I want to make that very clear and I want to repeat it. Because in the context of our country it is very nice to say these things but it cuts on both sides, therefore had the Ottley Hall debt been included, Mr. Speaker, the budget would have had a current deficit. In much the same way the Prime Minister made reference to the \$12 million associated with the Honorary Citizenship programme.

Mr. Speaker, I am aware that the Ottley Hall project has been a source of much controversy and debate in this Honourable House and else where, because it added substantially to the public debt of this country. I am aware of the efforts that are being made to have it reduced. And I have no difficulty whatsoever Mr. Speaker, with efforts being made to reduce it. But Mr. Speaker, I want to point out that during my time as Minister of Finance we did make significant efforts to reduce the Ottley Hall debt. And Mr. Speaker, if you look on page 496, of these Estimates at the bottom of that page, on section J Ottley Hall Ship Yard project you will see Mr. Speaker, that the disbursed debt outstanding is \$106.7 million. And that there is a rescheduled loan for that amount and a subordinated loan for that amount of \$49.5 million. And if you look at the total external debt in the line below Mr. Speaker, you will see that, that was put at \$424.9 million. But the \$49 million was subtracted from it in these estimates, thus showing the total external debt of \$375 million. And if you look at the footnote, Mr. Speaker, on that page you will see that this amount that is the \$49.5 million represents a portion of the loan forgiven by consortium of banks. That was debt forgiveness that achieved before we left office. I am assuming Mr. Speaker, that the Prime Minister is working on a further reduction of that debt. I want the public to understand very clearly, Mr. Speaker, that that exercise in debt forgiveness started some time ago under the last administration and we did debt agreement for \$49.95 million had been forgiven as long as we continue to make our payments. Mr. Speaker, I therefore have a question which I believe the Honourable Prime Minister would be able to answer when he replies. And perhaps before I phrase the question I should explain further the debt forgiveness for \$49 million which we obtained was predicated on the fact that as long as we met our payments on the rescheduled loans we get the debt forgiveness. When you paid the rescheduled loans, you get the same amount forgiven on the subordinated loan. In light of the fact, that this administration has taken a decision that they are not in a position to pay the Ottley Hall debt I wish to find out Mr. Speaker, how that impacts on the debt forgiveness that we have already achieved. Because it was predicated on the assumption that we would be making our payments on the rescheduled loans at the rate of some \$7 or so million dollars per year and then the forgiveness was related to those payments. So if it is not being paid now, I want to know what arrangements have been made whether the debt forgiveness is still in place because I am making the assumption, Mr. Speaker, that the Prime Minister is seeking additional debt forgiveness.

Mr. Speaker, the question of debt is an important one, both external and internal one and one of the things we learn very quickly is that one has to pay one's debt if one is to survive in this business and there are certain ratios and I know that the Prime Minister said in his presentation that it was a little outside of the ratio at the moment, in relation to the external debt and we need to bear that in mind that is something that has come up, time and time again, Mr. Speaker, in this Honourable House and we must always Mr. Speaker, make the efforts to ensure that we do just that.

Mr. Speaker, much heavy weather was made about the reduction in the capital budget of some, I think it was about \$22 million and a lot was said Mr. Speaker, in terms of the projects that are to be financed this year and implemented this year out of the capital budget. The Prime Minister made reference to some 188 projects as if that has any particular meaning, because at the bottom end of everything else is how much of that we are able to implement. But, Mr. Speaker, we have a specific and very specific things that we need to do in this year's estimates, in this years budget to respond to the international situation, to respond to the problems in relation to the banana industry and particularly Mr. Speaker, in responding to issues related to tourism. And Mr. Speaker, to be quite frank with you I expected to see a larger allocation of additional funding to the tourism sector. Because I believe Mr. Speaker it is well known that our earnings from tourism are about five times than which we received from bananas and that there are very serious difficulties now affecting that sector, very serious difficulties, there is over \$200 and something million from tourism alone, against \$35 to \$50 million from bananas over the last couple of years. So it is the biggest earner of foreign exchange for our country. And therefore Mr. Speaker, the addition of \$455,000 in the estimates for promotion I thought was inadequate. I understand that some effort is being made to give guarantees and some seats from London and so on and all that is appreciated but Mr. Speaker, I think we need to do more and these estimates should do more in relation to the development of the tourism sector, particularly Mr. Speaker, in the area of promotion.

Mr. Speaker, even in the capital budget itself, the allocation for tourism is less than it was in the previous year. I do not understand that Mr. Speaker. I believe that more thought need to be given Mr. Speaker, as to how we can deal with this sector at this point it time. It impinges on so many things Mr. Speaker, not least of all the extent of the foreign reserves that are earned both by this country and the OECS as a whole, and more time, more resources, Mr. Speaker, more financial resources would have to be put into tourism over time. I do not think anyone can question the need, Mr. Speaker, and I know that we have constraints, I do not think that anyone could question the need to put more resources into that sector.

Mr. Speaker, sometimes when I listen to the Prime Minister in his presentations I always have to be listening very carefully, because there are a number of nuances, political nuances which come across clearly in his presentation. I recall both himself and the Minister of Education making it quite clear that this is an education government. And that a lot of focus and a lot of attention would be paid to the education sector. And I continue Mr. Speaker to hear that. I therefore expected Mr. Speaker, that in relation to that sector that we would have had a significant increase in allocation of the capital side. The Prime Minister said that it is has gone from 17.1% of the capital budget to 21.5 of the capital budget and that sounds like a good increase. But, Mr. Speaker, it is 21% of a smaller capital budget. It is 21.1% of a smaller capital budget so the percentage increase is meaningless. In fact the increase is just under

\$1 million for the education sector in the capital budget. So do not tell the public of St. Vincent and the Grenadines that we are an education government and we are going to do a lot on education, and then you just have a marginal increase of less than \$1 million. And then present it – [Interjection] I will come to the corruption just now. So 17.1% Mr. Speaker, to 21.5% is meaningless, because there is 21.5% of \$109 million as against 17.1 of \$132 million. So I want the public to understand that despite all the talk Mr. Speaker we are not talking about any significant change at all. [Interjection] I know what to take account of, I am in this business longer than you, I know what to take account of, do not worry about that. All I wish to say, Mr. Speaker, giving all those sorts of figures to the public gives a false impression and therefore I am correcting that impression that the people of St. Vincent and the Grenadines can understand clearly what it is we are talking about. So do not talk about the 4, 5% increase.

Mr. Speaker, I listened to the presentation on the projects, tourism and otherwise, and Mr. Speaker, I have been looking at the details of the capital project and most of the projects that are here are the projects from the last financial year. There are few projects that are new so the Prime Minister named off BNTF, that is there, Small Enterprise Development, that is there. Tourism heritage projects, that there, all those are projects that are in the estimates of 2001. There is nothing new; there is nothing particularly new about this. Mention was made of the newness of the poverty alleviation fund of quarter million dollars, hopefully at some point in time could become \$10 million.

Mention was made about the trans-island road or cross country road as the public better knows it and I see \$750,000 provided for design but I have not heard Mr. Speaker, whether the feasibility study was completed because one normally does that before one goes to design. And I have not heard about that, and I would like to know whether a feasibility study was undertaken since we are taking about many, many million of dollars. The Prime Minister said he already has \$20 million US for that project but I note that in his presentation he was taking about \$750,000 for the year 2002 design.

Mr. Speaker, I hear reference to Marion House and you know when you look at the list of projects, tourism awareness projects, heritage tourism project, there is nothing new, Mr. Speaker, and I would really like Mr. Speaker, us to pay a very close look to that sector. We have to take a very close look at that sector. And Mr. Speaker, I am saying so in the context that we have a situation where we are hard pressed for whatever restructure we are doing in the banana industry, we are going to be hard pressed to compete. And you know Mr. Speaker, that has been our lifeline for long time now. And you know Mr. Speaker, that in the offshore sector we are under some difficulties also. But I will come to that a little later. So, Mr. Speaker, we have a situation in which the major plans of our economy, the productive sector, tourism, agriculture, offshore services, all facing difficulties, at the same time. And therefore Mr. Speaker,

the tourism being the largest sector that is my argument for allocation of greater resources to that sector, at this point in time.

Mr. Speaker, the expenditure in health in the capital budget is also down and also agriculture but Mr. Speaker, the bottom line is, is the budget designed, are these estimates designed Mr. Speaker, to address specifically the problems that our economy faces, because where you see the allocation is Mr. Speaker, there is no significant difference in the allocation between sectors than in the past. It is almost as business as usual despite the events that have taken place and we are getting into a world recession even before September 11th, with these Estimates Mr. Speaker, do not reflect any of this, it is business as usual despite those fundamental changes in our fortunes. And that Mr. Speaker, is the greatest difficulty that I find with these Estimates presented to this Honourable House.

Mr. Speaker, much talk and indeed we are coming now to the stage of more action in relation to the banana industry. And I expect Mr. Speaker, that during the course of this year we will be moving pretty rapidly on the restructuring of that industry, of further restructuring of the industry. Mr. Speaker, I support the need to continue that exercise but Mr. Speaker, we have to recognize that in so doing we are in fact going to have a smaller industry, we are going to have a number of our larger farmers coming out of the industry as well as some small ones. And I am particularly concerned Mr. Speaker, that persons who have demonstrated ability and management skills, leaving the industry at this time, because the area into which we are going Mr. Speaker, requires those very skills if that industry is to become more and more competitive if we are to become competitive by the time we get to the year 2005. And I am saying to the Government of St. Vincent and the Grenadines that they should do all that is possible to carry out that restructuring exercise in the manner which should encourage the retention of the most competent farmers in the industry, large or small. Whatever numbers you want to play Mr. Speaker, the fact remains is that we are going to have a smaller number of farmers in the industry. Whatever the numbers and I am getting into that today, another time and a place for that, but we have to recognize that reality, Mr. Speaker, that is what is taking place. And therefore we will have to provide for that.

Mr. Speaker, I have another concern, and again it goes to the question of allocation, in a sector that is difficult. A sector that is in difficulty Mr. Speaker. I noticed Mr. Speaker, that in respect to the Offshore Finance Sector that the allocation to the Offshore Finance Authority is reduced in these estimates. Reduced to the tune of \$300,000. Mr. Speaker, just a few days ago in this Honourable House we dealt with important legislation relating to that sector, very important legislation. The Finance Intelligence Unit Bill, and we also dealt with the Money Laundering Bill. And both of them Mr. Speaker, passed this House of Assembly with unanimous support, indeed the Prime Minister in his effort to assure the international community that we are serious about this matter insisted that there be a division in this House so that each Member of this

Parliament would indicate his or her vote, and there is nothing wrong with that Mr. Speaker. But as I look through the Estimates Mr. Speaker, and I see that the allocation to the Offshore Sector is reduced to that authority, I wonder what it is we are expecting in relation to that sector. I do not know what it is that we are expecting, because the legislation that was passed Mr. Speaker, assumes certain additional cost to Government or to the Offshore Finance Authority of the implementation related to that legislation. I see nowhere in these legislation, Mr. Speaker, that that matter is addressed. All I see so far is the reduction in the resources allocated to the Offshore Finance Sector. Mr. Speaker, we have to be serious about this matter, there is no point, Mr. Speaker, and I said so a few days ago, there is no point, Mr. Speaker in passing this legislation, if you are not going to provide the resources for its implementation, I see nothing, except I miss it, but I have looked very closely, I have seen nothing, Mr. Speaker, which makes me feel that we are sending the correct signal. We already had a fiasco here, in the last week in which we allowed someone to leave this country, a fugitive from Justice, who was deeply involved in the Offshore Sector in this country, which sent a bad signal on its own. Now we look at the Estimates, Mr. Speaker, and I cannot see any funding to implement the very laws which you think are so critical to what we like to refer to as the sanitization of the Offshore Finance Sector, we have to be serious Mr. Speaker, because we are under scrutiny, now more than ever, because of what has recently transpired. I am inundated with calls, Mr. Speaker, from outside of this country including publications like the economist who are calling to find out what is happening here in St. Vincent and the Grenadines with respect to this sector. Up to yesterday I got a call from the economist on that matter. And the message that we are sending out there is not one of which we can be proud; I am therefore disheartened Mr. Speaker, to see here in these estimates that we have made no financial provision for the implementation of that legislation which several members of this House spent a long time working on. It is true that the bill was passed only a few days ago but knew before hand the target that was set, in terms of this legislation. And I wonder what it is Mr. Speaker, I really wonder what it is, what is the message that we are sending out there on this matter. What is the message? We doing cosmetics or are we serious about what we are doing in terms of the development of the sector.

Mr. Speaker, I listened to the Prime Minister you know, very carefully as is my job; and one of the things he said by way of justification for the disappearance of the fugitive is that he could not find, or his legal persons couldn't find any law which would allow action to be taken by Government. Mr. Speaker, I find that exceedingly difficult to accept. I am no lawyer so I am going to ask the Prime Minister in his response to indicate to me two things, why, the proceeds of Crime Act 1997 is not applicable in this instance, and I would like to know whether under the Mutual Assistance Treaty between the Government of St. Vincent and the Government of the United States Mutual Legal Assistance why nothing could have been done to arrest that fugitive from justice before he left these shores.

HONOURABLE MR. SPEAKER: Honourable Member, you have ten minutes.

HONOURABLE ARNHIM EUSTACE: Much obliged, Mr. Speaker. Mr. Speaker, the 1997 Act which was assented to on the 19th of November, 1997, describes the proceeds of crime thus and I really like an explanation. Proceeds of Crime means (a) proceeds derived from the commission of a scheduled offence or (b) any property or benefits derived obtained or realized directly or indirectly by any person from any act or omission that occurred outside St. Vincent and the Grenadines and would if it had occurred inside of St. Vincent and the Grenadines have constituted a scheduled offence and the first schedule offence is this Act Mr. Speaker, under the schedule is money laundering in accordance with section 59, so money laundering in accordance with section 59, so money laundering is an offence here under this Act, it also provides, that if the act takes place outside of St. Vincent and the Grenadines and would have been a crime if it had taken place here that it would apply and I would really like an explanation. And Mr. Speaker, Section 59 says, in this section, that is the offences transaction includes the receiving or the making of a gift.

“A person after the commencement of this Act engages in any money laundering commits an indictable offence and is liable on conviction to a fine not exceeding 20 years or both such fine and imprisonment.”

And in the case where someone is not an individual, a company a fine not exceeding \$1 million. This Mr. Speaker, plus the Mutual Legal Assistance Treaty cries out for some explanation. But, you know, Mr. Speaker, over the years myself and other in this Honourable House have been bombarded, we were so corrupt, very corrupt these NDP people, that has been thrown across the floors of this House here Mr. Speaker, on several occasions and it still goes on unabated up to the last session of this Honourable House.

Mr. Speaker, I have grave concern Mr. Speaker, when people attempt these things to smear and I think we should be aware of certain things. Mr. Speaker, I want to

DR. THE HONOURABLE RALPH GONSALVES: Do you wish me to give the answer to the query which you raised, now?

HONOURABLE ARNHIM EUSTACE: It is okay, when you are winding up.

DR. THE HONOURABLE RALPH GONSALVES: Okay, all right because the answer is clear and evident.

HONOURABLE ARNHIM EUSTACE: When you are winding up. Mr. Speaker, I want to read the letter I have here which was written to the Offshore Inspector by a member of

this Government, then in a different capacity. And I want the assurance Mr. Speaker, that no one on the Government side is a legal representative for the fugitive, any more, I want that assurance because I think it is germane, Mr. Speaker for us getting clearance off the black list, this letter to the Offshore Finance Sector by Rene Baptiste on February 12th, 2001. This is in response to an effort by the Government to put a receiver into New Bank, to make sure that the assets of that institution are dissipated. And I quote.

“Sir, the unlawful attempt to appoint a person to assume control of New Bank Limited and Nano and Sons 1146 Private Bankers Limited is abusive and illegal. You are perfectly aware that the whole matter is pending before the High Court and is due to be heard shortly. We view this appointment as an attempt to exact a political driven scheme designed to remove from the files of the two aforementioned banks, documentary evidence of corruption and extortion on the part of the Offshore Finance Authority, former Prime Minister James Mitchell, Prime Minister and Minister of Finance Arnhim Eustace and other members of the Mitchell Administration, including present and past members of the Government of St. Vincent and the Grenadines.”

So we are involved in scheme to sending a receiver so that they can remove documents of borrowings that I never had.

“this would be strongly resisted and to the mentioned to the international news media and of the variance diplomatic representatives of declines of both banks. This is yet another avenue to which you hope to manipulate the system, seeking protection of the consumable funds loan to past and present members of your government, which is unpaid up to today’s date. I am still waiting to get the funds. Finally, we strongly advised you that we have valuable information which lead us to suspect that certain illegal acts of violence against the premises of both banks such as larceny, burglary, arson or the like are planned by persons known to yourself.”

So I was planning to burn down, or burglar the banks, signed yours faithfully, Rene Baptist. My question, Mr. Speaker, to the Prime Minister and I think we deserve an answer, the country deserve an answer is whether any member on that side of the House is still the legal representative of the fugitive.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, if my honourable friend would give way. I would declare now as was declared repeatedly during the life of this administration no lawyer in the Government, no person in the Government has any legal practice whatsoever and upon assumption of the Cabinet Office those

representational links which were held before were terminated. I give you that assurance, because that is a basis upon which I as a lawyer have worked and which the Honourable Minister for Tourism and Culture has also worked. So there is no, so you wished the assurance, I give you the assurance, in unequivocal term.

HONOURABLE ARNHIM EUSTACE: Mr. Speaker, I am much obliged to the Prime Minister for that assurance. I want to say this though that there is an investigation on going as to the movement of funds. You know these days when you move funds around international communities knows exactly how to chase it. I just want to be assured that in this case there were no payments made post the restoration of the licenses because we would be in serious trouble in this country, Mr. Speaker if that were to turn out to be the case.

Mr. Speaker, the Estimates before us with the minute or so I have left, Mr. Speaker, to a large degree is just a repetition of what we had in the previous year. There are one or two areas, but as I said I am mostly concerned Mr. Speaker, with the lack of what I believe to be adequate resources to the tourism sector, given the state of the economy at this point in time. And I want to urge the Minister of Finance in his capacity as Minister of economic development to again look at this area to see what additional possibilities there may be to put the tourism sector on some fast track for further improvement. It is going to be vital Mr. Speaker, to the future of all of us in St. Vincent and the Grenadines. I am much obliged to you Mr. Speaker.

HONOURABLE MR. SPEAKER: Any further debate on the motion? Any further debate on the motion!?

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, since there is no further response to your several requests....

HONOURABLE MR. SPEAKER: I recognized the Prime Minister, I called several times.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, I did that the last time, I am not doing it now.

HONOURABLE MR. SPEAKER: I called it twice.

DR. THE HONOURABLE RALPH GONSALVES: Three times and I am going to wind up the debate. We do not want to stifle, I postponed the House this morning, I asked the speaker, to give an adjournment so that you would be here, the Speaker asked three, four times if there is any body who would like to debate, nobody gets up, everybody is playing cat and mouse. I have the business of Government to get on with, I cannot sit down here and allow people to play games.

Mr. Speaker, I want to begin by answering the queries raised by the Leader of the Opposition. He raised the question of the seeming lack of resources presented to tourism as he sees it, we have presented in our Estimates under the tourism sector,--

OPPOSITION MEMBERS WALKED OUT OF THE HOUSE.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, there are persons who seem to do not want to deal with the rules of the House; they have now walked out; that is fair enough because several occasions you asked for the debate to continue and nobody wants to get up so it is my duty to get up, I just cannot sit down. [Applause]. As the Leader of the House I have to get up and wind up the debate.

Mr. Speaker, as is well known when the estimates were presented in previous years, what you used to have is a five minutes presentation of the estimates, ten minutes by the Leader of the House, the Minister of Finance and nobody else on the Government side will talk, and every single one of us will speak on the Opposition, one after the other every man jack go right down, we just got up and spoke, but nobody now wants to get up to speak. Mr. Speaker, I pointed out a number of items in the Estimates for tourism and I will read them out for the benefit of the public. Under tourism on the capital, restoration of Garifuna culture \$34,000.00; Mt. Wayne Beache improvement project \$85,000.00; Botanical Gardens improvement project \$100,000.00, renovation and refurbishment of Peace Memorial Hall \$400,000.00, heritage tourism project \$100,000.00, tourism development project \$500,000.00. The Buccament Valley Development project phase 2 \$250,000.00; nature tourism planning and development project \$375,000.00; heritage tourism project \$320,000.00.

Mr. Speaker, the only line item there on where there is a significant difference from any project last time, is that a million dollars was put down for the tourism development project to be financed by the European Union, there is now \$500,000.00 now that we are putting, and this is in keeping with our realistic estimate of what could be spent. When that money was put in the budget last year by the NDP administration, there was not even a tourism plan, so you put a number down and you claim that it mean something. There was no tourism plan. The tourism plan is now before the Cabinet of this Government for consideration before the end of the year. It is now on my desk where I personally I am studying it, so that we can then proceed early in the new year with this tourism plan to move further with it because on the last occasion which is just two or three weeks ago the European delegation came here, they told the Ministry of Planning that now that the tourism plan is available they themselves would like to study it so that we can move the process forward. The first time the European Union has a copy of the tourism plan is what we in Government, since we are there, have now devised and they got it two, three weeks ago. Those are the facts, so that if money comes you will deal with the tourism plan in that way. But what are you looking at in relation to tourism. Tourism is not just a matter of talking about promotion, because

Mr. Speaker, what does not appear under these items in the Estimate, we have secured a loan and the loan is a US\$112,000,000 from the Caribbean Development Bank, as part of a regional programme for the promotion of tourism.

You can spend a lot of money saying you promoting tourism, you have the Dallas Office and you say you are promoting tourism and you waste money there because there is no tourists come out of there. You give a friend of James Mitchell the job and you call it promotion of tourism. The woman now is there in Texas claiming that she has half of the property, we have to now spend money to put her in Court, all the money she has in that property is ten dollars stamps which she put on the agreement, that is all, she is claiming half. They are crazy and they are greedy. Talk about corruption. They are crazy and they are greedy.

Mr. Speaker, promotion is not just throwing money like that, the Palm Island Resorts. Palm Island Resorts, I went down there about a month ago, and I saw the place, the restaurants jam pack. I asked Mr. Bareth, one of the major shareholders, how is it that he has gotten so many people, he said he has 55% occupancy and by the end of November he will have 70%. He said he cannot go and promote on the television because he would be crowded out, he cannot afford to promote in any big set of newspapers, so what he does, he takes client lists from his hotels throughout the Caribbean and he sends a post card to every single one of them inviting them to come to the hotel, giving them appropriate rates and so on. He does a direct marketing like that. Some people in St. Vincent and the Grenadines, some hotels in St. Vincent and the Grenadines they do that and they have good occupancy; Young Island for instance does that. And I was over Young Island a week ago and they had 40 something percent occupancy I was told, not far below their usual occupancy at this particular time of the year. So if the Leader of the Opposition does not understand about tourism promotion he must ask people who know. You do not take good money and throw it after bad.

Mr. Speaker, what are some of the things tourism come to look at here? The sites, and we are trying to improve the quality of the sights. The city, we want to have it clean. What kind of a promotion of tourism you can get, could bring the cruise ship lines when the town is nasty? And that is how the NDP had it, we clean it up, you do not see that under tourism figures. You do not see, one of the things that the tourists are concerned about, is their security, we are introducing tourism police. What are they also interesting in, especially the yachtsmen and women, they are interesting when they are down at Union Island to have security there from about five or so vagabonds. And we are now putting a police presence there to assist with the protection of the yachts people that is tourism being assisted. He does not understand that. How is tourism assisted? \$2.9 million we have in the budget here for LIAT to ensure access to St Vincent. We have worked out a hub arrangement with St Lucia from Hewanora. Our Customs and Emigration are going to clear people who are

coming to St Vincent right there, so they do not have the hassle. And I have spoken to Prime Minister Arthur and we will be doing the same thing in Barbados. That is tourism promotion and helping tourism.

Mr. Speaker we have already announced, I stated so in the economic recovery proposals which this Government put forward through me on October 11th that the hotel industry will get a ten percent reduction on their fuel bill; tied also to a ten percent reduction; so we tie relief with our savings on consumption. Conservation., that is for the hotel industry. I had already announced that the hotels will get a reduction in the rate of their income tax. It is now 40% and now that the Leader of the Opposition has spoken I do not mind saying it, today in this debate, it will be 35% that is what we reducing the taxes from 40% to 35% for the hotels. If he cannot appreciate these things, no wonder his government was so temporizing and wait and see, he feels that if you put some numbers down on matters which are of no great consequence that it means some how that tourism is being helped, helped in his head not in the real world. It is in his head and I am absolutely amazed at this. He has two fundamental objections with the budget. That is one.

The second one has to do with the Off Shore Finance Sector so I clear that one up once and for all. Mr. Speaker let me say this, you know how we sat down with the tourism people. And I personally have been involved in those consultations many of them. I took hoteliers to several meetings, they have a promotion in Barbados and Trinidad the Hotel Association. This Minister of Finance gave them what they asked for; half of the money to promote, they said that want \$200,000.00 also to work with Grenada and Tobago to bring charters out of the United Kingdom on Monarch from December 15th. The Monarch Airline. I agreed and gave the Two hundred thousand dollars. You do not see that in the budget under those items in tourism. Today VINLEC contacted me and I made the point earlier they are giving favourable consideration to buying \$2 million worth of bonds, relatively short term monies lending in order to help LIAT. They called to find out if I have any objections in principle, I say no, VINLEC is an independent entity, the Government has no objection in principle, if you want to do that, it is up to your determination and all the facts.

Turn now to the question of the resources for the bills. Mr. Speaker, we are currently involved in discussions with the Americans and with the British concerning equipment and staffing for the FIU, Financial Intelligent Unit, which is where the bulk of the money would be coming. And in terms of the equipment, we are getting the equipment free. And the staffing positions we are able to accommodate those within the existing resources of the Government and if even more resources are available we will provide them. That is the reality and we have told the Europeans and the British and the Americans that.

He comes back again to address the question of the fugitive, Thierry Nano, Mr. Speaker, the last occasion I was here I explained fulsomely and I will do it again, under the Fugitive Offenders Act it was not possible to deal with Mr. Nano a citizen whom the NDP gave citizenship in the way in which we dealt with Phillip Marc Vaughn, who was an American citizen. The fugitive has to be dealt with under the Fugitive Offenders Act and the NDP was there all the time from 1989 when they amended that Act, they never put money laundering as an extraditable offence. And the advice received by the Government, from the legal advisors in the Government is that even though there is a mutual legal assistance treaty with the United States the Fugitive offenders Act take precedence over that treaty. That was the same thing the other day in the United Kingdom. So what did we do, in the Government, we moved expeditiously, to amend the bill which was coming to Parliament, the Proceeds of Crime and the Anti Money Laundering bill, to include a draconian measure, wide and all encompassing for extradition on money laundering. In the meantime, we have taken here in this country, and I want to say to the House, certain procedural steps, to assist the American authorities in having the fugitive brought swiftly to justice and to have the evidence, possibly, the investigation part, possibly aided by certain actions which are being taken as I speak. There are certain national security matters I cannot go beyond particular boundaries. The Office of the Director of Public Prosecution, I have been advised has been taking a certain step which will assist, with the easier extradition of the fugitive out of France where I understand he is, because he is a French citizen. And I know that the Director of Public Prosecution and the police have taken certain other steps about which I cannot speak. I have a Government to run you know, I have the responsibility; he is Leader of the Opposition so he can run his mouth off, but running your mouth off and running Government is two different things. And I will say this, I personally have been in close touch with persons, with the British Authorities and the American authorities and they are satisfied that this Government of St. Vincent and the Grenadines is cooperating fully on this matter to see that the fugitive is brought to justice. Of course the fugitive is still innocent until proven guilty, because our civilizations are based on laws, not men.

Mr. Speaker, the fugitive eluded not only the Vincentian police but also persons from another country who had him under surveillance. And of course, that is a matter of concern and I am making sure that all the facts emerge, but there is nothing on toward in any political way, on this matter, none whatsoever.

Mr. Speaker, the Leader of the Opposition says there is a large degree of repetition, he said by and large the Estimates here constitute a large degree of repetition from what was there before. Well on that basis he supports it. Since it was his budget last year. He should not wild with it at all. It is his own. But I know as I have pointed out here the focus on poverty alleviation and the focus on education, these are matter which are alien to the NDP and have been. He wanted to have an answer as to how the Ottley Hall debt is going. Mr. Speaker, this Government has taken a decision not to pay any

money on the Ottley Hall debt which amounts to close to \$8 million per year on interest at the present time. We are not defaulting, we are in discussion with West LB and Sache and the subordinated loan is not being affected, the Italian authorities in Sache have paid the first payment since we have been in office which became due in June and they have agreed to make the second payment in December. The Director General and I have been intimately involved in these discussions and those discussions will continue, but what the Leader of the Opposition does not address is this, who got us into this problem into this mess in the first place, and cannot extricate the country from this millstone.

Mr. Speaker, Honourable Members I will report to this country now, that the Ottley Hall Project, has put us back \$84 million US dollars. The project at the moment is worth about \$5 million US dollars, you do not have to be a rocket scientist to know that there was corruption down there. I do not understand how people put their heads in the sand and try to think with their feet by thinking that they could not have been corruption down there, they have already said, Sir James said, that Rolla was a crook, this is after he had defended him steadfastly, and said leave Vincent Beache, leave Stalkey John and leave Ralph Gonsalves to me. That is what he told Rolla on television, you know, I will deal with them. That is what he said, they have forgotten all those things, but the Minister of Finance then Arnhim Eustace, the Leader of the Opposition now, would want me to not to pay the debt to the university of the West Indies so that poor people children cannot go to university, but he wants me to pay the debt to Ottley Hall because they want this government to continue on the same path like them. To cover up everything, well I want to announce this because you know I always have something up my sleeve. And everytime they provoke me, yet, I say something. Things are happening I do not always talk about. I have given instructions as the person representing the largest shareholder of the bank, that is to say the Government of St. Vincent and the Grenadines. I have given instruction to a lawyer to make preparation of the requisite legal documents for us to sue Dr. Rolla in the first instance and for us to see if we can get criminal proceedings against him. I understand that he is in the United Kingdom, and I asked him that when those documents are prepared to let me see them because I used to be a lawyer. And I would like to see how the case is being made on the basis of the evidence that has been gathered. Rolla ripped off the National Commercial Bank by nearly \$12 million and he did so during the watch of Sir James and his successor.

Mr. Speaker, the Istranka, that fathom hull of a ship, which was supposed to be 51% equity of St. Vincent Yachting and Shipping in the Ottley Hall project, Rolla took that same ship and used it as collateral for St. Vincent Yachting Shipping to borrow \$8 million at the National Commercial Bank. When the ship really belonged to CCYY down at Ottley Hall, he is a remarkable man. He tricked all of them. And now in a lame way the Leader of the Opposition wants to raise questions about Ottley Hall. If I were

in his position I will keep my mouth shut on it eh. In fact, he was the principal advisor to his political master during the days of that project.

Mr. Speaker, in the field of education, the estimates are clear of the substantive and substantial difference between these estimates and those of last year. And more than the actual numbers it is the framework within which the policies are being executed as the Minister for Telecommunications and technology reminds him repeatedly, the substantial work which is being done in information technology education, outside of the Ministry of Education is part of the education for the new period.

Mr. Speaker, how many more minutes do I have left?

HONOURABLE MR. SPEAKER: Just about three.

DR. THE HONOURABLE RALPH GONSALVES: I am obliged. Mr. Speaker, I would like to disabuse the Leader of the Opposition of the fallacy which resides in his head, that the methodology used in these Estimates is the same methodology which he has sought to apply in the last budget. The question of the performance management in relation to public servants is an entirely different subject matter, though related to the issue of the way in which you prepare the budget and the corporate plans which has been fashioned as part of this exercise and there is no where in their thinking was there anything for work plans to be used. And we are now devising specific work plans and we had fine tuned that methodology in our 100 Days Programme. So what we are coming here to do now for this year is what we did in the 100 Days. And the public servants I know, some of them cannot keep up with the pace, they believe they still in some kind of carnival band which is beating slow, almost like a waltz going down the road. Now it is fast soca, you have to keep up with the tempo, if you are going get anywhere, or you will be left behind.

Mr. Speaker, I want to thank the Leader of the Opposition for his contribution, for his comments, most of which I have indicated where they are critical, and misguided and I consider his walk out today is a walk out designed really to see if he can get the approval of the real leader of his party who is on the radio and no doubt he has hurriedly gone to report to his real leader. The leader whom a recent survey by a Barbadian firm indicated has an 8% listener ship. That is all, and most of them listen for entertainment. And Mr. Speaker, I am inclined to believe that the plan, their walk out, you see they have nothing to say about these Estimates, nothing at all to say, because if you listened to the Leader of the Opposition, after he had spoken for 15 minutes, he was involved in mere political posturing. So, remember I challenged them, I challenged them Mr. Speaker, when I was making the presentation, that it is the best set of Estimates that could have been presented by any group of persons in these circumstances. The best. And they were smiling and nodding in agreement, the two Senators and the Member from the Southern Grenadines, the Member for the Northern

Grenadines was absent. And they have nothing to say so they are bewildered. The three freshmen, the juniors, they listened to the Leader of the Opposition and they were awaiting to see if somebody over here will speak and they will brief catch something, that is what, and they said to themselves, well it is better we do not talk because we would not embarrass ourselves, so they try to make it an issue, the Speaker asked them 3, 4 times. Is there any further debate, they appeared to be transfixed and glued to their seats and it is only when I got up began to wind up the debate that one of them meekly stood up, he did not even raise his voice to ask the Speaker if he can be permitted to speak.

You will remember Mr. Speaker on the last occasion the same thing happened and I gave way, but I told them that that was the last time. You see, these Honourable Gentlemen are accustomed to playing cricket up by the pasture, but this is test cricket. You cannot move from pasture cricket to test cricket in one jump, among other things you have to know the rules and play by the rules and you have to have shots to play. They do not know the rules and they do not have any shots to play. So they sit transfixed, bewildered, glued to their seats and expect the Leader of the House to tolerate that foolishness any longer. The public must know that they have abandoned their responsibilities to their constituents and they have abandoned their constitutional obligations to the people of this country and to this Honourable House.

Mr. Speaker, it must be recorded that this morning, if I wanted to proceed in their absence, I could have done so, at twenty past nine when the Leader of the Opposition was not here the whole country heard that I gave an opportunity to be present and privately he thanked me for my graciousness in that regard. But he must lead his troupes better. They must be better prepared to face the bowling.

Mr. Speaker, I beg to lay on the Table as I finished the Corporate Plans for the year 2002 which have already been circulated, which are to be read as a companion document to theses Estimates and I beg to move that this House do now approve the Estimates for the year 2002.

HONOURABLE LOUIS STRAKER: I beg to second the motion.

Question put and agreed to.

ADJOURNMENT

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members I beg to move that this House stands suspended until Wednesday 28th of November at 4:00 p.m. for the Throne Speech by his Excellency and the Budget Address by the Minister of Finance.

Mr. Speaker, I want to remind Honourable Members before this particular motion is seconded that we will be here at 3:00 p.m. on Wednesday for the official photographs.

HONOURABLE LOUIS STRAKER: I beg to second the motion.

***Question put and agreed to.
House suspended at 12:50 p.m.***