

No. 4

FRIDAY

First Session

29<sup>th</sup> June, 2001

Seventh Parliament

**SAINT VINCENT AND THE GRENADINES**

**THE  
PARLIAMENTARY DEBATES  
(HANSARD)**

**ADVANCE COPY**

**OFFICIAL REPORT**

**CONTENTS**

Friday 29<sup>th</sup> June, 2001

Prayers	6
The National Insurance (Amendment) Bill, 2001 (First, second and third readings)	7
The Consumer Protection (Bureau of Standards) (Amendment) Bill, 2001 (First reading)	41
The National Lotteries Bill, 2001 (First reading)	42
Supplementary Appropriation Bill 2001 (First, second and third readings)	42

Supplementary Appropriation (No.2, 3, 4) Bill, 2001  
(First, second, and third readings)

42

Adjournment

63

**THE**

**THE PARLIAMENTARY DEBATES**

**OFFICIAL REPORT**

**PROCEEDINGS AND DEBATES OF THE FOURTH MEETING, FIRST 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.**

**SIXTH SITTING**

**29<sup>th</sup> June, 2001**

**HOUSE OF ASSEMBLY**

The Honourable House of Assembly met at 10.00 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 Ralph 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 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 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 Joseph Burns Bonadie

Opposition Senator

Honourable Gerard Shallow

Opposition Senator

**ABSENT**

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 State in the Ministry  
of Foreign Affairs, Commerce and Trade

Honourable Conrad Sayers

Member for Central Kingstown

# SAINT VINCENT AND THE GRENADINES

## HOUSE OF ASSEMBLY

FRIDAY 29<sup>TH</sup> JUNE, 2001

### PRAYERS

The Hon. Speaker Hendrick Alexander read the Prayers of the House.

### ORDERS OF THE DAY

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, if I may just crave your indulgence, and not only for Members of Parliament but also for those who are listening. There are four (4) Supplementary Bills, Supplementary Appropriation Bills on the Order Paper today; we are hoping that we will be able to address them. I believe that all the documents have been circulated. As regards The Securities Bill, we are awaiting comments from a number of persons, and banks; Indeed we have received some comments from overseas, but we have to get on with this fairly shortly. I think they have enough time. I think that after we have had done the Supplementary Estimates on July 19<sup>th</sup>, for the remainder of the year we should probably get on with that Bill. Because sometimes what happens is that people ask you to circulate the Bills for comments and they are circulated and you get no comments. We have to try and use a different approach; maybe we should in some circumstances hold a consultation on some of these Bills. Perhaps we would get some comments after they have been circulated and we may yet do that. But as we know our Parliamentary time is very packed and I know that some members have been complaining that we would not be having holidays this year, but, we have to do 15 years work in four (4) so we may not have holidays for four (4) years. Then we have the National Lotteries Bill and the Consumer Protection Bureau of Standards Amendment Bill; for those we hope to do the first reading today. Mr. Speaker, Honourable Members, we will take the National Insurance Amendment Bill through all its stages today, and we are hoping we can finish this afternoon by about 5:00 pm or thereabouts of the latest. We wouldn't move for the suspension of the Standing Orders in relation to Hours of Sitting because we have some Seventh Day Adventists among us, and we have to allow them to get home in time for their Sabbath and hopefully if we have time we can have a couple presentations in the continuing debate on the motion regarding Constitutional Reform, thank you, Mr. Speaker.

## **THE NATIONAL INSURANCE (AMENDMENT) BILL 2001**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I beg to move the first reading of a Bill for an Act to amend the National Insurance Act Chapter 229, of the Laws of St. Vincent and the Grenadines, revised Edition 1990.

**HONOURABLE VINCENT BEACHE:** Mr. Speaker, I beg to second the motion.

*Question put and agreed to.*

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I beg to move under Standing Order 48 (2) that this Bill be taken through all the stages today and passed.

**HONOURABLE VINCENT BEACHE:** Mr. Speaker, I beg to second the motion.

*Question put and agreed to.*

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I beg to move the Second Reading of a Bill for an Act to amend the National Insurance Act Chapter 229.

**HONOURABLE VINCENT BEACHE:** Mr. Speaker, I beg to second the motion.

*Question put and agreed to.*

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, as has been outlined in the Bill circulated with the Objects and Reasons, we are really seeking to amend this National Insurance Act to create greater penalties for persons who owe substantial amount of contributions in arrears to the Scheme; The Act also proposes the amendment to create a charge or lien in respect of any property, of any person owing an outstanding amount after such amount is registered as a debt.

Mr. Speaker, Honourable Members, this Bill, save and except for Section 40 (b) which is a new section, and a little tidying up here and there, was a Bill which had been presented to this House by the former Minister of Finance. But the change which we have put additionally on this Bill, that is to say, Section 40(b), strengthens the Bill considerably, and when I come to that I would outline the significance of that new provision.

I think it is important, Mr. Speaker, Honourable Members, to give the context for this amendment because the general public who are listening on radio and members here ought to have the framework within which this Bill is presented. Very often we are so preoccupied with the mechanics, and the legal technical aspects of the Bill which are so very important, since they will govern what will happen to the National Insurance Scheme, that we look at these provisions without having the context and I think it is important as the Minister of Finance piloting this Bill to provide a context within which this Bill is presented.

As is well known, the National Insurance Scheme came into being on the 5<sup>th</sup> January 1987 by Act No. 33 of 1986. The original legislation was drafted as early as 1979-1980 with the assistance of the International Labour Organisation, and I want to say this, the Honourable Member for South Windward, Honourable Minister of National Security, and the Public Service was the spearhead in that Committee and he knows the National Insurance Act as well as any lawyer or operator of this Scheme and certainly better than most, because it is a very involved area of the law. Indeed if I may say in parenthesis Mr. Speaker, when I did my legal studies in United Kingdom I anticipated that we would have had a Scheme of this kind, and I took a one year course entitled Social Security Law which studied in detail the British Security System which involved the National Insurance Scheme in that country. To have an appreciation since as a man who was always interested in the working class people I wanted to have a fairly comprehensive view of that legislation for what would have come here in St. Vincent. The Bill was introduced here in 1984 by the Labour Party administration, the Honourable Milton Cato of blessed memory introduced that Bill. It had a first reading and something is etched in my mind, I always tell Senator Bonadie about this, that when he was then with the Labour Party and they were testing the waters in Calliaqua in the run up to elections, I think it's early 1984, he was making a speech about this Bill which had been presented and how it would give 60% of your earnings for sickness benefit once you have 13 weeks contribution, and I was walking through the crowd and people were saying "who you think would believe that, nobody interested in that, you think you could fool us with that kind of thing again". Of course the regime of that time was in a situation where people was just not listening, but what Senator Bonadie was in fact saying was the truth. That there was an Amendment, there was a Bill to the House to establish the National Insurance Scheme and to upgrade the Provident Fund Scheme.

The Provident Fund Scheme was introduced by the then Labour Party Administration. It is a very good Scheme, but it didn't go far enough, but I remember when it was introduced, there was a magazine published by the Civil Service Association called "Tooloo". The Honourable Leader of the Opposition was then President of the Civil Service Association as it was then called and there was a series of articles in it, delivering a scathing attack on the National Provident Fund, saying that they wanted "to thief workers money," scathing attack and some articles were written particularly

under the pseudonym Lumumbo Wajabe, I don't know if that was the African name of the Leader of the Opposition then or if the name belonged to somebody else. I have never found out who was Lumumbo Wajabe but I know he was the editor of the magazine. There is no problem in that the Honourable Mike Browne, his African name was Fumudo, which I understand means 'determined,' and many of us still call him Fumudo. But Lumumbo Wajabe in a journal edited by the Leader of the Opposition, he was then in charge of the Civil Service Association as President, attacked the National Provident Fund. Of course Senator Bonadie then was with the Labour Party and was praising, what year was that -- that was in the late sixties, late 69 perhaps 1970, 71 thereabouts, because the National Provident Fund, I have copies, I could bring Lumumbo Wajabe for you. I can't remember the exact years, but I know you were President, think it was '69, (No that was.. ) the Provident Fund came into being in '69,

**HONOURABLE ARNHIM EUSTACE:** Nah it couldn't be me then)

**DR. THE HONOURABLE RALPH GONSALVES:** Yes, I returned to St. Vincent in 1969) yes, but you were President in 1970 or '71 of the Civil Service Association and the attacks were there and you were the editor of Tooloo. I interviewed you when I was doing my research for my Masters Degree in 1970-71 you remember that, yes, no, don't deny paternity of Tooloo, okay.

**HONOURABLE ARNHIM EUSTACE:** I am not Lumumbo Wajabe, that all I'm saying.

**DR. THE HONOURABLE RALPH GONSALVES:** I am not saying that they were your views you know. I'm saying that you were associated with the views of Lumumbo Wajabe.

**HONOURABLE ARNHIM EUSTACE:** I just told you that I was not Lumumbo Wajabe.

**DR. THE HONOURABLE RALPH GONSALVES:** Yes, that's what I'm saying. That you're not Lumumbo Wajabe that's fine, but you were associated with the views, in the sense that you gave them full airing. That was the position of the E.F.P., Education Forum of the People which then controlled the Civil Service Association.

Now, as I recall Senator Bonadie then with the Labour Party was attacking mercilessly the then Leader of the Opposition, and Lumumbo Wajabe, saying how they were backward and did not want to embrace Social Security for poor people, that is the historical backdrop for this matter, that is the historical backdrop. So the original legislation was drafted for this particular one to upgrade the National Provident Fund. I notice that the Honourable Member for the Northern Grenadines is smiling and chuckling cause he was then in short pants not knowing that these things are happening. So I have to educate you on the history. Anyway it is fair so say that the position of the Leader of the Opposition has changed since those days, as many of us, our positions have changed, but I just want to put that part of the genesis.

Now the existing fines, which were enacted in legislation at that time, in 1987 were so placed having due regard to the fact that employers and workers alike would embrace the benefits of the N.I.S. and so pay their contributions without delay. Because in those idyllic days, we believe that moral suasion alone will help, and that self-interest with the employers and the workers would ensure payment of the contributions. But Mr. Speaker the experience of the Scheme has shown that that assumption holds true only to a certain extent, and upon our examination of our rate and level of compliance, it is evident that many employers are not carrying out their statutory obligations regarding the N.I.S.

It is my painful duty to report that there are arrears of over \$2 million to the N.I.S. Two million some of them going back as far back as fifteen years, Mr. Speaker, among other things some employers are refusing to register workers within the prescribed time. Some are deducting the full-rate contribution from their workers. In other words the employers are supposed to pay a percentage, the workers a percentage, but as Senator Bonadie, who is a union man knows, there are some employers who are taking the whole percentage from the worker on the basis that the worker is getting the benefit. They want to avoid their legal, their statutory obligation. Some are making deductions and withholding them, in fact, they are using the contributions for their own purposes, and I want to say this, "from the government's standpoint, when companies asking now for duty free concession or individuals asking for duty free concessions as employers, as Minister of Finance one of the first things I'm asking, when the public servants bring their applications, I'd ask, tell me whether this company or individual owes N.I.S. contributions, If you owe N.I.S I am not considering the application for duty free concessions at all. It doesn't matter what you want, if it's more workers you want to employ, because this is a workers' government, working peoples' government, and you have to pay your, -- you have to pay the N.I.S. contribution.

I think Mr. Speaker, what we are hearing there is an announcement for Carnival and I think it is appropriate for us to remind the House that today is the formal start of carnival and that I'm hoping that people will go out and enjoy themselves fully. I am going to the Heads of Government meeting next week, Heads of Government of the CARICOM in the Bahamas and I am hoping that I can get back in time for the weekend so that I can be here with the people of St. Vincent and the Grenadines for Carnival.

Yes, Mr. Speaker, the employers and individuals are making deductions and withholding them and what amazes me, some people who have received awards, some people who have more mouth on the radio than anybody else, some people who want to tell you what great contribution they have made to employer/employee relations in this country, but is to see the list, is almost like Gabby list. You see the list, you see the names on it, if you know you are not paying the National Insurance money, you deduct workers money and you know you are not paying it, do not go on radio and

say that you have made contribution to employer/employee relations, because you have a fundamental obligation having deducted the workers money, you do not pay it, you then parading up and down as if you're some jefe, and running off your mouth on radio and television, beating your chest and saying how great thou art. But I am not calling anybody's name, because I do not want to use the Parliament for that purpose. That is the business for the National Insurance Scheme, the Director on the Board, as to whether they publish names or do not publish names, but as the Minister of Finance the names naturally come to my attention as they have come to the attention of the Director and the former Minister of Finance, now Leader of the Opposition.

Then employers are falsifying records, they are refusing to keep and present workers earnings, and they are under-reporting the number of workers in their employment, so what they do with N.I.S., they under-report the number of workers but to income tax they over-report the number. These employers they win on the swings and they win on the roundabouts and that is one of the reasons why we have to have greater coordination between the National Insurance Scheme and also the Income Tax Department and this is where the new Information Technology systems would assist. And there are persons who are employers who are treating the National Insurance Scheme and Inspectors with contempt. In fact, Mr. Speaker, one employer turned loose his guard dogs on an Inspector, one employer threatened the life of an Inspector, well if I may say so, Mr. Speaker, they are not only threatening the life of an inspector, some of them also doing it against the Prime Minister. I just want to say in parenthesis (I'll make this point, someone, I have a security report here, a confidential security report which came to me yesterday. There is someone who was not a candidate for one of the opposition parties, but who spoke on one of the opposition parties, platform was telling someone with glee that somebody was looking for a 9mm firearm to deal with Comrade because he jogs on mornings and this particular person was reporting this to this individual and didn't know that next to that individual was a plain clothes special branch man. I want to say Mr. Speaker, that that is the sort of thing which the excessive incitement to violence which we are having taking place from certain political platforms is generating.)

Inspectors are asked to leave premises of employers, you notice I've said so much as I want to say, because I do not want to reveal the fullness of the security of the report, but matters are in hand. Employers refuse the inspectors to enter business places, Mr. Speaker, the impact of all these problems on the Scheme is problematic and in some respects disastrous. Claimants experience undue hardships and inordinate delay, when claiming a benefit due to the fact that an employer who in default have no up-to-date records. In the absence of the records showing the workers earnings, it is almost impossible to calculate the benefit since the N.I.S. would not know the person's earnings. The standard time for processing the benefit set by the N.I.S. cannot be met, because I must say this, with all honesty, the current Leader of the Opposition was very concerned with these problems. And I must say that he sought from the time he

was Fiscal Advisor to when he became Minister of Finance he sought to introduce systems, in conjunction with the professionals in the N.I.S. to strengthen the N.I.S. so I'm not just criticising him for certain things, I'm saying where he deserves some credit and I also want to say that the current Director of the Insurance Scheme is an excellent professional, and there were persons on the road saying that they heard that because he is Mr. Eustace friend, Comrade Ralph would get rid of him. That is the sort of malicious mischief-making you get which passes this town, from misinformed dialogue, so I hope I put the malicious tongues to rest by a clear and unequivocal declaration of confidence in the Director of the N.I.S. and his professionalism, and indeed if he is Mr. Eustace's friend, Mr. Eustace has a very good friend, and I am developing a friendship with him and I hope some day, I'll be able to proclaim that he is my friend.

Indeed, in my heart, I already consider him a friend. The claimants because of the employers behaviour are receiving less pensions than they deserve and in some cases a claimant is paid minimum pension when they should receive a higher one. The Scheme's actuarial forecasting ability is affected as a result of the volume of the outstanding records. The Scheme's financing mechanism is affected in the following ways: the level of arrears is high, not high to the extent that it is going to undermine the stability of the system, but \$2 million, \$2 million too much in arrears. The net operating fund which can be used for investment, is low in part, well not low as to be disastrous, but because of the arrears.

Mr. Speaker, we must note that the legislation requires that the National Insurance Scheme pay benefits to the worker if even the employer has not submitted his contributions. That point has to be made and remembered. So the employer is robbing the scheme and shaking the efficacy of the operations. If there is no payment of contribution there is no money to invest yet the N.I.S. must pay and will pay. And the interesting thing is that some of the same people who are not paying and of course I can't call the name, they out badmouthing the N.I.S., they out there giving lots of advice about how the N.I.S. should or should not invest its money, but they are not putting in the workers' money.

Mr. Speaker, just as the N.I.S. keeps its obligations and honours its commitments to pay pensions and benefit payments, even when the contributions are deducted and withheld by the employer, so too these amendments that are brought in this House are designed to ensure that the N.I.S. has the legal mechanisms available to enforce payments and secure the pensions of the hard working employees of this country. This document, this Bill today is pre-eminently a measure to defend the working people of St. Vincent and the Grenadines.

Mr. Speaker, no one can question the value of the N.I.S. to the people of this country, neither can they question the efforts being made by the management of the institution, to make our N.I.S. Scheme the number one in the O.E.C.S. and I want to say that and

that is why I gave credit just now to Mr. Eustace in this regard. And some people may not like me giving him credit, but his position has evolved very far from the days of Lumumbo Wajabe.

Now, I want to say Mr. Speaker, yesterday, the entire Cabinet and all the senior health professionals and senior personnel of the N.I.S. Scheme met in the Cabinet room where we listened to a detailed presentation by the team of consultants dealing with the National Health Insurance Programme, the (N.H.I.P.) which is to be financed through the National Insurance Scheme, that is the proposal, and the Actuary was there also, so that and questions were asked, by the Members of Cabinet and other persons, so we can come to understanding as to what this, the National Health Scheme would be like if we decide as a people and as a Parliament if we are going to establish it, and Mr. Carl Theodore who helped in making the presentation, a Trinidadian economist, that I was very impressed with his presentation. Some early work was done by the N.D.P. administration in that area, we have a lot of more work to do, and a lot of problems to be sorted out in relation to the National Health Programme, and that is why, in relation to an additional scheme brought under the N.I.S. that we have to make sure that employers pay their contributions.

Mr. Speaker, I should indicate, that even when the Central Bank, the Eastern Caribbean Central Bank does its ranking efficiency the National Insurance Scheme, of all the Schemes in the Eastern Caribbean come out front and we have a Board now headed by Mr. Bowman, Mr. Lennox Bowman, and the Director, Mr. Thomas, they are working as an excellent team together to keep this programme going. To date this Scheme has assets of \$200 million, they have paid \$2.1 million, invested in the Student Loan Programme at greater cost, to its rate of return, introduced the Non-Contributory Age Pension to some 1500 persons who had not contributed to the Scheme and are now receiving a pension, and I must say, Mr. Speaker, as I said on Friday, sorry on Tuesday, in answer to a question from the Honourable Senator Shallow, that an additional 300 persons would be going onto that scheme which has been assessed to be actuarially sound.

The Scheme has impacted the quality of health with the donation of high technology, ultra sound machine and contributed to the general savings pattern of this country. The comments of the actuary and of the fourth actuarial study are worthy of note. This is so not only regarding the financial soundness but regarding the recommendations about the level of compliance which is what this Bill is about. The actuary then stated, then quote, "The collection of contributions is one of the important elements of the operations of the N.I.S. without a high degree of compliance in the payment of contributions the Scheme cannot fully perform its function, the reviewer is aware of recent N.I.S. efforts to improve its operations, in the area of contribution collections. He rejoices about the degree of compliance that has already been attained, nevertheless, he believes that efforts to reach higher levels should be continued, besides the

dedication and commitment of the Compliance Officers of the staff, the N.I.S. should consider the adoption of stronger measures or tools for the enforcement of the collections and that is why we are bringing this Bill today, and to strengthen it more than the original Bill that was brought here by the former Minister of Finance.

The amendments before this House are designed

- 1] To ensure that the scheme is respected.
- 2] To ensure that the mechanisms are in place to allow the N.I.S. to enforce compliance.
- 3] To demand payments instead of begging for them, I want to repeat, to demand payments instead of begging for them and fourthly, to pay contributions deducted and to pay them in a timely manner.

The Scheme has tried all the following to increase compliance, three visits, seven days warning, payment agreement, publication of names, in spite of all these mechanisms the level of arrears is increasing.

Mr. Speaker, some companies owe the National Insurance Scheme up to one hundred and thirty five thousand dollars (\$135,000) in arrears. One hundred and thirty five thousand dollars, and I am talking about money that has been deducted from workers, and ploughed back into the employers business.

Mr. Speaker, this behaviour is deplorable and it must be stopped and it has to be stopped now. We are a serious Government and we intend to stop it. I am therefore appealing to this Honourable House to support these amendments and to allow easy passage, Mr. Speaker, I have outlined the broad scope of the amendments and there are increased penalties, and the Honourable Minister of National Security will deal with some of those penalties, but I want to say to those employers out there the penalties are going to be steeper, but this is the one which I specially asked to be put in to the Bill, so if there's anyone out there who wants to blame anyone with this particular measure, then blame me. This is what it says, "Call Registration 40 (b), Registration of Debt and Creation of Charge or Lien," I am not only just talking about penalties now, money penalties, but this,

**"where a person liable to pay contribution neglects or refuses to pay such contribution, after service of written notice has been effected on the person, the amount including interest additional amount or accessible penalty together with any cost shall after of period of 90 days has elapsed after service of the Notice, be registered as a charge, or lien in a form as may be prescribed by the Board and such registration shall create a charge or lien in favour**

**of the Board upon all property whether real or personal, belonging to such a person.”**

Let me stop here.

So the companies and individuals who now owe, the National Insurance Scheme is no longer going to just write you and beg you, seven days, some people say you put dog on them, no, the Director will be writing you a letter, and the director would be saying you owe these arrears, and you must come in and pay the arrears or make suitable arrangements to pay these arrears. If you do not do so, within three months (90 days), the Director will come here in the Registry, in the Court House and register a charge on your personal property, if you have a car, if you have a motor bike, if you have hi-fi equipment, or put a lien on that or a charge on your property, your house, your land, so that you can sell your property without that being paid. If the person buys it, without it having been cleared off, that charge or lien goes with the property, so the purchaser better beware.

So now when lawyers are searching the Registry for charges and liens, mortgages, bills of sale, when they searching for those things, whether there is a judgment outstanding, when they are searching for those things, they now have to search to see if your property has a charge where you owe the National Insurance Scheme. And that is the only way we are going to really effect some meaningful change. And it goes on, unless another date is specifically fixed by the law, the charge or lien imposed by Section 40 (b)1 shall arise at the time the charge or lien is registered and shall continue until the liability for the unpaid contributions or a judgment against the defaulter arising out of such liability satisfied or becomes enforceable by reason of the lapse of time. So the point is this when it is registered, the charge continues. So you who want to sell your property, you have to take care of the N.I.S. first. So the N.I.S. will have a piece of your property, if you owe them. And it is only fair because the money which you have deducted belongs to the workers and it is our duty to protect the workers of St. Vincent and the Grenadines.

Now, we cannot go to clean up Little Tokyo and we do not clean up the employers who owe the N.I.S. some of the same people working who will do a little ice box at Tokyo on the side. If you cleaning you have to clean properly. I am sure, that this Bill will get an easy passage.

Clause 5, Mr. Speaker which addresses the penalties strengthen the collection, but the sting in the tail is the registration of a lien or a charge. I am hopeful that this House sees the wisdom in passing this amendment without much fuss or delay. I am obliged Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Honourable Member of East Kingstown, Leader of the Opposition.

**HONOURABLE ARNHIM EUSTACE:** Mr. Speaker Honourable Members, the Bill before the House at the moment, the Act to amend the National Insurance Act is a very important piece of legislation. As indicated by the Honourable Prime Minister, some time before the last elections, we had in fact commenced debate on a Bill to do much of what we are discussing here this morning. There has been a significant change that is in respect of 40 (b), which deals with the Registration of a Charge or Lien of real property on persons who maybe in arrears to the National Insurance Scheme.

Mr. Speaker, I have spent a lot of time over the last few years, dealing with issues relating to the National Insurance Scheme and I have a great deal of pride, Mr. Speaker on the performance of the institution. The staff, the management and staff of that institution are very professional in their outlook, and I think that their contribution to the development of the National Insurance Scheme cannot be omitted and I want to put on record here again in the Parliament, the appreciation of us here on this side of the House and I am sure that the feeling are the same on the other side of the House, the appreciation for the management and staff of that institution.

I am familiar with the name Lumumbo Wajabe, (Prime Minister laughing) I know who is Lumumbo Wajabe but it was not I.

Mr. Speaker, Mr. Speaker, this Scheme, as indicated by the Prime Minister is now ranked as the number one Scheme in the Eastern Caribbean in terms of national insurance and if there is one thing, because it seems that the N.D.P. administration never did anything, if is one thing that the N.D.P. administration has done is that this Scheme has become number one in our time.

Mr. Speaker, the measure that are included in this Bill relating to penalties in respect of persons who are in arrears and refusing to pay the contributions which they have deducted from workers in this country and it is a matter of great concern, that is why we brought the previous Bill to the House, because of our concern for that very issue. But that time Mr. Speaker, arrears amounted to something close to 21% of the income for any particular year and that is certainly unacceptable.

Mr. Speaker, the loss, the loss of income affects the profitability of the Scheme and thereby consequentially the ability to increase the investment pool of the Scheme. And, Mr. Speaker, that is very, very important at this time in our history. If we look Mr. Speaker, at some of the measures that are proposed you will see that the fines are increased considerably, the fine for obstructing an inspector has been increased to \$750.00 from \$4,000.00. And it is a fact, and I said this myself in Parliament some time ago, that people had gone to the lengths of releasing dogs on inspectors. The fine for

failing to pay contribution has also increased considerably \$200.00 to \$4,000.00 and there are a number of other increases included in this Bill, plus for to be, the new provision for the registration of a charge or lien.

Mr. Speaker, it is absolutely important, that all of us, continue to give our support to the management and staff of the National Insurance Scheme to ensure that they continue to function in a manner that befits the important role that this institution plays in the life of our country particularly in terms of its contribution to people's pension, people who would otherwise not have a pension.

Mr. Speaker, the actuaries who have examined the operations of the National Insurance Scheme over the years, have all been generally pleased with the performance of the Scheme, from time to time they have made recommendations many of which have been implemented and I think last year the Scheme made net income of some \$18.3 dollars.

Over the years, Mr. Speaker, the benefits paid out have increased whether it be Funeral Grant, Maternity Grant, Invalidity payments and the pension itself, all of these Mr. Speaker have been increased over the years. And a year or two ago, we introduced the Age Assistance Pension, and I wish to say something about that because, Mr. Speaker, that programme whether it is called Non-Contributory was effectively not really so. Because the scheme came into being on January 5<sup>th</sup> 1987, and all persons who were working and contributing to the N.P.F. at that time, when the N.P.F. came to an end would have come over to the National Insurance Scheme, but a number of them would have reached age 60 before they would have made sufficient contributions to become eligible for a pension. So what in fact the Age Assistance Pension was designed to do Mr. Speaker, was to cover those individuals who because they became sixty before they could contribute for three years, to give them an opportunity to get a small pension. So they made contributions, some would have made if they were 59 in January '87 they would have made one year of contributions, if they were 58 they would have made two years of contributions and so forth. So they did make contributions, but not sufficient because you need a minimum of three years contributions to become eligible for a pension under the Scheme.

So it was designed Mr. Speaker, to some extent the name is a little bit confusing. It simply refers to non-contributory because they did not contribute sufficient contributions, not that they did not contribute at all, and I think that we need to make that distinction.

Mr. Speaker, during the five-year period 1995-1999, the Scheme paid some \$24 million in benefits to people here in St. Vincent and the Grenadines. Some \$24 million in benefits. And last year I believe that in relation to this situation over 3000 persons Mr. Speaker, received a pension from the National Insurance Scheme.

But Mr. Speaker, there is something that we need to look at very carefully as we examine the development of this Scheme over the years to come. Because we are talking here Mr. Speaker, of something that is supposed to have a very long life, it must be financially viable institution, as we say, forever, because the obligations to pay the pensions of our citizens, will extend for a long time after all of us have left the scene. And when we look at the Scheme in that way Mr. Speaker, the question of its financial viability remains the most important. But there is something that is happening in the structure of our population Mr. Speaker, that has implications for the viability of the Scheme. We have a situation here Mr. Speaker, in which the rate of population growth in St. Vincent has slowed down. The last figures and soon we'd have a new census figures, but the last figures we have, showed that the population growth was down by 1%. What is the significance Mr. Speaker, of the slowdown in population growth for the National Insurance Scheme, the fact remains Mr. Speaker, that the slower the growth of population, the less increase in numbers we'll have and therefore, getting new contributors to the Scheme, they'd be a decline in the rate that has been increasing in the past. So the Scheme that depends both on contributions and more so investing those contributions, would find over time, that it has to depend more on investments, investing the income that it earns to earn more money than it will get from contributions themselves. And I think that will be the trend Mr. Speaker, that we will see in relation to this Scheme as we go on.

Already, we see that investment income in 1999 exceeded the increase in contributions already in 1999 we have that situation. And that situation will continue Mr. Speaker, and it also means Mr. Speaker, that we will have more and more persons coming on stream to receive a pension while the number of those who are contributing to the Scheme are increasing at a slower rate. And therefore Mr. Speaker the investment of the income of the National Insurance Scheme is critical to the financial viability of the Scheme. We do not want a situation Mr. Speaker, in the future, in which government will have to come and bail out the Scheme. The Scheme has to continue to be viable, and Mr. Speaker, when I refer to the work of the staff, and I say I do say with some measure of pride in their performance, although this Scheme is ranked number one in the Eastern Caribbean we have the lowest rate of contributions. For instance, our contribution rate when you combine both the employer and the employee totals 6%, Grenada is 9%, Dominica is 10%, St. Lucia it is 10%, St. Kitts it is 11%, and Antigua it is 8%. So St. Vincent has the lowest contribution rate, yet at the present time it is the most profitable institution of its type in the Eastern Caribbean.

And given the structure of our population Mr. Speaker, we have to ensure that the financial viability of the Scheme remains intact while avoiding any significant increases in the rates. If the financial viability is affected Mr. Speaker, then we are going to have a situation where we will have to increase the rate of contribution from the employer

and the rate of contribution from the employee. And that has its own implications Mr. Speaker.

Based on the last actuary report, Mr. Speaker, it is felt that on the current projections there is no need for increase in contributions before the year 2008 that was in the last report of the actuaries, there is no need for increase, but that is assuming Mr. Speaker, that the Scheme continues to function in a very efficient manner. And therefore, Mr. Speaker this Bill becomes important, because to the extent that it reduces arrears, it improves the financial viability of the National Insurance Scheme and that is the great significance Mr. Speaker, of this particular piece of legislation that we have before this Honourable House.

And Mr. Speaker, we need to do everything that we can to give the necessary support to the National Insurance Scheme. The obligation to pay pensions 10, 15, 20 years from now is a sacred obligation, an obligation that cannot in any way be changed. We have that obligation and we have to meet it. And Mr. Speaker, I want to make the point again, that persons who have retired, and who here now joined the National Insurance pension, say a person who has served say 10 or 12 years under the Scheme, after only 18 months of receiving a pension that person receives back all the contributions that, he or she made to the Scheme, so after eighteen months Mr. Speaker, of receiving a pension, a year and a half, you already get back in your hands all the money that you contributed to the Scheme. So it is from other people who continue to contribute, and when you get good investment income that you would be able to continue to pay the pension of those persons. Our people are living longer and therefore you have to pay pensions for a longer time. And our low rates are one of the reasons why you get back your contributions so quickly, but you still have to continue to pay the pension under the Scheme. And therefore, one has to always Mr. Speaker, always at all times keep an eye on the viability of the Scheme.

We have a Survivors Pension also under the Scheme where 75% of your pension is paid to your spouse, plus 25% to dependent children. So all of these are benefits that you get under the National Insurance Scheme, those benefits are only as good as long as the Scheme remains financially viable. And I want to stress this, and I want to stress this, Mr. Speaker the Scheme has to remain financially viable and we should ensure that we do nothing to militate against that financial viability.

Mr. Speaker, this brings me to a matter that I want to raise in this Honourable House, and it relates to something that came up on Tuesday, Mr. Speaker, when we were discussing the question of the Social Recovery programme to assist farmers coming out of the banana industry, the older farmers, and I think the Prime Minister made reference to it in his presentation.

And Mr. Speaker, I want to say clearly here, that I have a concern, a serious concern, with the proposal not in the sense of its merit, but in the sense of its implementation. And I want to spend a brief while Mr. Speaker, because it goes to the question of financial viability of the National Insurance Scheme.

As I understand it Mr. Speaker, the Prime Minister proposes to put 300 farmers, older farmers, coming out of the banana industry, under a programme at the N.I.S. similar to the Age Assistance Scheme that now exists. Those persons in Age Assistance programme get \$20 per week and the same proposal is made with respect to the 300 farmers. That means at the current rate that just under \$300,000 per year would be required to fund those 300 farmers, \$288,000 call it \$300,000 for round figures. And actually, the N.I.S. can more or less afford it, but the fact remains Mr. Speaker, it comes off of the net income of the N.I.S. to be paid to persons who did not contribute in any way to the N.I.S. And therefore, the net effect of it is to decrease the income of the N.I.S. and therefore the amount of money available for investment in the Scheme to pay people's pensions down the road.

That is the reality of the Scheme, and I want to repeat that, Mr. Speaker, to that extent that you add persons who did not make contributions to the Scheme, to that extent you are reducing the income of the N.I.S. and when you reduce the income of the N.I.S. you reduce the amount of money available for investment by the N.I.S., and to that extent it is a drain on the N.I.S.

Mr. Speaker, this has nothing to do with the merits of providing a Scheme for farmers I am in support and I want to say from this side of the House, we are in support of a Scheme, what I have difficulty with Mr. Speaker, is funding that Scheme via the N.I.S. from other peoples' pension. You'd recall, Mr. Speaker that the Banana Growers Association had a pension scheme for farmers and when the Scheme got into difficulty, when the industry got in difficulty, the farmers asked back for of all their pension money. So they closed the Scheme and paid them back their pension money. You coming now Mr. Speaker to try and do something for those same farmers, but you are going to use the pension contributions of other people. But I am worried, Mr. Speaker, in this respect that to the extent that it reduces the income of the N.I.S. we can be getting ourselves in trouble.

And the reason why I say this, Mr. Speaker is not related to 300 farmers, the problem I have is that you really don't know yet how many farmers would come out of the industry. There was a time when we had more than 6000 active farmers in the industry, in the Banana Industry. My own suspicion and projection, Mr. Speaker, is that by the time we get to year 2005 we may have 1800 or 2000 farmers in the industry. And thousands of farmers would be out of the industry and there would immense pressure, Mr. Speaker, to provide them with some assistance. There will be immense pressure to do that, because the impact on the industry of the new marketing arrangements is

going to make it very difficult for a lot of framers to remain in the industry and therefore, while today we talk about 300 farmers, two or three years from now Mr. Speaker, we'd be talking about 3000 farmers, and therefore the picture then becomes completely different, because a lot of pressure would be brought on government to do something to assist the farmers coming out of the industry. And Mr. Speaker, we could not fund any large number of farmers via the NIS programme as proposed without having a very adverse effect on the income of the National Insurance Scheme. \$300,000.00 may not make a big difference today, but if the numbers of farmers increase, Mr. Speaker, we now begin to have a situation where you may affect the pensions of other people, who have been contributing to the Scheme. You may find yourself, Mr. Speaker, forced to increase the contribution rates earlier, in order to make sure that you are able to pay the pensions of those who are already contributing to the N.I.S.

And I want the government, Mr. Speaker, to look very carefully at this matter, 300 may be okay, but would 3000, 3000 certainly would not be okay, and greater attention Mr. Speaker, needs to be paid to the matter, so that we'd not endanger the financial viability of the National Insurance Scheme.

And I am urging the government, Mr. Speaker, to look carefully. If the intention Mr. Speaker, is to fund only 300 and no more at all, that is one matter, but I doubt, Mr. Speaker. As we get the fall out of the banana industry, I am sure that the pressures on government would increase considerably, to put more and more numbers of farmers and let's face it and a lot of our farmers are over 50 years of age. The vast majority of the farming community involved in the Banana Industry are over 50 years of age, and the pressure would be unrelenting on the Government to increase those numbers. And that is why Mr. Speaker, I have a grave concern about funding the 300 farmers from the National Insurance Scheme.

And Mr. Speaker, we have to be realistic about this matter, and I recognize what it is that the Government is trying to do and I have no problem with them trying to do something to assist the farmers through a Social Recovery Programme or whatever name, one want to attach to it, but I'm suggesting Mr. Speaker, that if that is the case, and recognising the possibility down the road of larger numbers, that the Government look at alternative mechanisms to finance this programme. I am not opposed to the programme, I want to repeat that, I don't want anybody to get in this House of on a platform and say you know Eustace don't want the farmers to get their little pension, because I know that is what would be said, but it is my duty here as someone who understands the workings of the National Insurance Scheme to point out to the Honourable House and to the people of St. Vincent and the Grenadines, that there are implications for all those other persons who have been making their contributions, there are serious implications if one cannot control the numbers of farmers who eventually get on the Scheme.

And Mr. Speaker, because of this I am proposing in this Honourable House, Mr. Speaker that an alternative mechanism be examined for financing the programme.

If it is only 300 farmers Mr. Speaker, at the current rate it costs only \$288,000.00 per year, and each year some of them will die. But the assumption Mr. Speaker, can we say today with absolute certainty that the number will not exceed 300, can we say it would not double, treble or quadruple, can we say with absolute certainty, I do not think so. Mr. Speaker, if it is only \$288,000.00 per year Mr. Speaker, the programme can be funded from the budget and the National Insurance Scheme can administer the programme for the Government. Because none of us Mr. Speaker, much as we would like it, none of us can guarantee that the numbers would remain at 300, given the number of farmers who are likely to come out of the industry and more than that have already come out of the industry. What the Prime Minister is looking at, are those who are worse off at this point in time, but those numbers will grow, we have to face that reality, those numbers will grow and I am proposing that we look at other mechanism;

That is not to say Mr. Speaker, that the N.I.S. cannot make a contribution. Under the rules of the N.I.S. there is a provision, Mr. Speaker to make a contribution to social sector projects within our country, that is the same rule that was used to spend \$500,000.00 to provide equipment to the hospital that the Prime Minister mentioned, that same social sector programme. So there is nothing wrong with it Mr. Speaker, if you have a fund established, which is paid for via the Consolidated Fund, there is nothing wrong with the N.I.S. also making from time to time a contribution from the social sector fund towards that fund to fund the farmers on the programme.

And Mr. Speaker, I know that the actuary will do his work, and he is been told that it would be 300, and he would do his work on the basis of 300, but I repeat, Mr. Speaker none of us much as we would like to be able to, none of us can guarantee that it would remain at 300.

And I want to say Mr. Speaker, that I would recommend a proposal in which some funding comes mainly from the Consolidated Fund for this programme, some you will get from the European Union via STABEX and from time to time the National Insurance Scheme, Mr. Speaker, can, through its social sector fund, make a contribution to that programme.

And Mr. Speaker, I think that the N.I.S. should manage the fund because they already have the experience of operating a similar fund.

**HONOURABLE MR. SPEAKER:** The member has ten minutes.

**HONOURABLE ARNHIM EUSTACE:** Mr. Speaker, I raise that particular concern in the context of my concern, and those of us on this side of the House; the demographics of

St. Vincent and the Grenadines at the present time, the falling growth rate in our population. We are going to have a bump in the number of persons receiving NIS pensions over the next few years, but we will not have sufficient new contributors to the fund to be able to cover all of the pensions of those persons. So anything that we can do to keep funds in the NIS for investment, to that extent Mr. Speaker, we are ensuring the future viability of the National Insurance Scheme.

All of us are aware, Mr. Speaker, as to what has happened to the social security system in the United States, a very big country like that, they found after a while that the scheme was running into grave financial difficulty.

And I want to raise one other matter Mr. Speaker, in relation to this and that has to do with whether we in St. Vincent and the Grenadines are prepared Mr. Speaker, to invest NIS funds, outside of this region and if so Mr. Speaker, on what terms and conditions are we prepared to invest NIS funds outside of this region. I know Mr. Speaker, there are a number of proposals floating around the Caribbean for fund managers from places like the United States to be given contracts for investment of NIS funds. Mr. Speaker, I have taken a hard line when it comes to matters like that and because Mr. Speaker the risk. We have over \$2 million in the investment fund of the NIS at the moment and Mr. Speaker, the risk of handing that over to a fund manager makes it difficult for me to stand up. Because I would not want to conceive of a situation where you get a telephone call because of some problem on the stock market and you find that your entire investment portfolio has been wiped out. And I urged Mr. Speaker, and I heard that the Prime Minister says he has chased them, I urged that there be a great deal of concern for that matter. I know that some schemes have taken the line that perhaps they would allow 5% no more than that, 5% of the investment portfolio to invest it outside of our region. In our case that will be something like \$10 or \$12 million and that is something that a Government can look at but certainly Mr. Speaker, we have at all times to ensure the financial viability, the need for safety, the three watch words of the NIS Mr. Speaker, safety, liquidity and yield, investment yield. We need Mr. Speaker to look carefully at all times on these matters. And in this general context Mr. Speaker, I want to give support to this Bill. Thank you, very much.

**HONOURABLE MR. SPEAKER:** Any further debate?

**HONOURABLE JOSEPH BURNS BONADIE:** Mr. Speaker, I wish to add my two cents to this debate which I consider very important; and the legislation which is brought before Parliament today, in my view, as a trade union leader, is long over due. It is over due Mr. Speaker, for several reasons, those of you who have been following the industrial relations practices in St. Vincent and the Grenadines for the last number of years would have recalled and remembered that at times my own trade union was the only voice in the wilderness crying out for something to be done particularly against what I termed and considered unscrupulous employers.

Mr. Speaker, if we take a historical look at the growth of the National Insurance Scheme dating back to the years, that was mentioned by the Prime Minister, of the introduction of the National Provident Fund. When the National Provident Fund was introduced in St. Vincent and the Grenadines it came in at a time when was not popular to deduct funds from workers earnings to put aside for retirement. It came in as something new to St. Vincent and the Grenadines, although a lot of us who live here knew that in other countries of the world workers had monies deducted and put aside, matched by the employer. Some workers in St. Vincent co-operated on that very basis but it was a first in a national effort, so that people could have something for the days when they reach 60 or beyond. And Mr. Speaker, I travelled the length and breadth of this country to try to satisfy the workers that were members of my organisation that the National Provident Fund was a good thing. It was something for their benefit because political parties outside of the Government, which was the St. Vincent Labour Party, went on a campaign throughout this country to state that it was a money grabbing exercise by the government to take earnings away from workers. And Mr. Speaker, I remember a lot of intellectuals had come back from North America at that particular point in time, [Interjection] I said North America, you want to put words in my mouth. North America I said, the Honourable Minister of Education said he was not in that batch. But I remember Mr. Speaker, upon their return they brought in a new breed as it were into the political life of St. Vincent and the Grenadines and people were in a sense persuaded by some of the comments and some of the ranting and ravings of this new breed of politicians. They came back at a time when the black power movement was very popular growing in the region and a lot of persons who have left our shores discovered that by experience and by being in a university setting that they had now found their African heritage, they came back and they in a sense renounced some of the names that they were christened with and adopted unto themselves a lot of names from Ghana and from Kenya and so on. [Interjection] I can't remember his name, the Leader of the Opposition operated on the basis of the Malcolm X era and he was 'Brother X'. I know the Prime Minister had a name too, but I do not want to mispronounce, but I remember that I had a good friend whose name was 'Onetomebomboco' and then we had 'Lamumuba'. Because remember Patrice Lamumuba was one who was held up by a lot of the intellectuals, so to come back to St. Vincent some people bequeathed themselves to some of these famous men from overseas.

And it was during that time Mr. Speaker, that the trade unions in St. Vincent and the Grenadines in the public sector, in the private sector had to go out in support of the National Provident Fund. And I am very happy indeed even to state that I was the first director of the Provident Fund representing workers in this country. Mr. Speaker, I left St. Vincent and the Grenadines and went abroad still in my capacity as a trade union leader and returned in 1983 to be again thrust on a committee headed up by the present Minister of National Security under whose portfolio in the Labour Party

Government, this particular matter did not fall but as a result of his dedication and commitment he was asked to chair and I remember when the Minister who was asked to chair this particular item for the changing of the National Provident Fund into the National Insurance Scheme, when he saw the amount of responsibility he said you better pass that on to somebody else. And I remember the Prime Minister at the time saying and it is no disparity, he said Vincent this fall in your lap again and I sat for weeks and weeks on a committee with the actuaries, with the ILO experts and I considered it a privilege to sit on this committee...

**DR. THE HONOURABLE RALPH GONSALVES:** And that was before NDP was in power.

**HONOURABLE JOSEPH BURNS BONADIE:** I said I came back in '83, you want to reinforce something I am not saying. [laughter]. And I sat on that committee and I saw the transformation of the National Provident Fund into a National Insurance Scheme. At that particular point in time, it had become acceptable in the country because persons had already started to benefit, so it was a little easier. So Mr. Speaker, when we look at what it was set up for, we are talking about putting aside funds, some contributed by the worker and some contributed by the employer for what is called the golden years of retirement; but those golden years of retirement would not be so golden if employers continue to default in terms of the handing over of the contributions which they have taken from workers. And I have had experience, Mr. Speaker, where companies that operate in the offshore industry came into our country, deducted funds from workers, use those funds and disappeared from this country. The Honourable Prime Minister made the point, that the law under which the National Insurance Scheme is set up, carries the obligation to ensuring that workers who contributed continue to benefit although the funds which were deducted disappeared. You cannot run a fund like that. But Mr. Speaker, the last incident that I was involved in for the union had to do with a company that operated in St. Vincent, that deducted funds, did not pay over and on the basis of attempting to continue some level of employment in the country, that company was permitted to function, with concessions from the Government, concessions in the form of a waiver of rental that was due, simply to keep the employment levels at a certain rate, and in the final analysis the company's oil shore, or the management disappeared. And one of the points that I would like to make is that companies that go into receivership, whereby the receivers are now trying to pull these companies out it seem to me that the first call is to the banking institutions, while the first call by law supposed to be the workers money going back into the National Insurance Scheme.

Mr. Speaker, there is a company now, operating that is in receivership; they have new management. But workers have lost thousands and thousands of dollars and no effort is being made to pay in something from the operational profits of the scaled down company. And I want to draw this to the attention of the House and hopefully I know at the National Insurance Scheme they are attempting to recover what they could. But

we have another problem Mr. Speaker, and it is a new and more recent phenomenon where employers are now adopting a smart method of operating in St. Vincent and the Grenadines and they learn, because we like to be copycats. The Barbados Government has now introduced new legislations where by making it mandatory for every single employee to have a contract of service, and what gave rise to that is the same situation that is taking place in St. Vincent and the Grenadines whereby employers are now saying that some of the employees are no longer employees in that sense, but contractors, independent contractors, and as such the National Insurance Scheme went to Court right here in St. Vincent and the Grenadines to try to address that particular problem with one company operating here and won the case but not an award. So for those workers who have been working for years, no funds have been turned over on their behalf to the National Insurance Scheme so other employers start to follow suit, whereby they employ you and they tell you, you work on a commission. You sell so much you get so much and their obligation finish there. Now in Barbados what the law state is that if you are an independent contractor, the employer must prove that you are the independent contractor to several companies like yours and not yours alone. And that is what they are doing here in St. Vincent and the Grenadines, in an effort to get away from meeting their obligations under the law. The Prime Minister made the point and I think that he has the tools in his hands to deal with it, where when the compliance officers from the National Insurance Scheme visit the employer he understates his contribution level and the employment level but the same employer for purposes of benefits over state to derive more benefits when they file income tax returns. The same employer. So we must marry the two now so that you cannot do one thing with the left hand and figure that the right hand does not know; so those are areas.

Now, Mr. Speaker, the compliance rate over the years fluctuate between 72 and 78 percent where good employers pay for the monies they deducted from workers, they put their matching contributions between 72 and 75 percent. So we have had a non compliance rate ranging between 25 and 28 and it is unfair, very unfair for the people who are working now to have to carry the burden of some of the delinquent employers who have taken funds and in some cases who would never recover those monies, because some of the employers have disappeared.

Mr. Speaker people in St. Vincent and the Grenadines are living longer, so you would expect that at that rate, pension will carry on for much more years than was the norm in the past. The Leader of the Opposition made the point that the pyramid is changing whereby you have a lower and slower population rate in St. Vincent and the Grenadines so that the bulk of persons would be in the higher age levels ready to retire while a smaller amount would be contributing, and that spells trouble. I am not advocating for one moment that the population rate has increased. Of course the question of higher employment levels would assist in alleviating some of those problems and we will have to do everything in our power to ensure that higher levels of

employment take place in St. Vincent and the Grenadines; and as such it might be useful if the Government could put in place incentives to employers, and I have made the point time and time again in this Honourable House that we are not paying particular attention to some persons who could be employed on the basis of some form of incentive to the employers to employ people who are disabled. So that it would relieve the government of some measure of putting aside funds in what we call poor relief, because poor relief was introduced in this country because people who have toiled and sweated for years and years on the estate and on the plantations when they were too old they were sent home, nothing to do. Mr. Speaker, some form of poor relief had to be found, and so the name came in. Sounds very bad, poor relief, they call it public assistance, they call it all sorts of names, but that is what it was, poor relief, that is the origins of the introduction of public assistance in this country.

I tell you something, Mr. Speaker, in the days of slavery, the strong slaves were separated from the weak ones and when the trading in slaves was abolished where you could no longer bring slaves from Africa, in some estates, and in some countries in the Caribbean the plantation owners decided to breed their own slaves so they mated the strong tall strapping men with the strong women to produce a master slave. Somebody who would be strong to toil in the sun. and the older people who could no longer work they were put to be in charge of the babies when they were born. And in St. Vincent and the Grenadines those of us who understand the nature of the relationship that exist in families would understand that in a number of cases grandparents bring up the children, that is something that came down from slavery; that the older folks had a commitment to taking and ensuring that the younger generation grow up while the others toil. And you lived in a house that belonged to the plantation owner and the minute you could no longer produce you had to leave the house for someone who had the energy to produce. So the government had to do something in the colonial times to satisfy, to keeping alive those persons who were no longer employable on the estates, so you gave them a hand out which you called poor relief. We continue that Mr. Speaker, and the more people who are brought on under the National Insurance Scheme, the less people would have to look forward to what we call public assistance.

Mr. Speaker, one other problem we have to face, and it goes back to the question raised by the Honourable Prime Minister. He indicated that the Cabinet had a session with the consultants in relation to the Nation Health Insurance Scheme which would be administered, when it is introduced, by the National Insurance Scheme. In southern Africa people used to die in their seventies, today in spite of all the modern technologies, modern hospital, people are now dying in the forties, in Southern Africa because of the AIDS epidemic. And that is not lost on us in St. Vincent and the Grenadines, we are a small population and we have a very high incidence of AIDS so that the people who would be the future of this country to carry the country forward, to contribute to the National Insurance Scheme they are also dying. They are also dying.

So the National Health Insurance Scheme will be under tremendous pressure and according to my recollection, the last report that I read a contribution of one single worker would have to carry 3.2 people under the National Health Insurance and if employment levels drop, one worker would have to carry about 4. So we would have to be very careful, we would have to make sure Mr. Speaker, that the National Health Insurance Scheme survives and is on good footing.

I would recall that during the discussions for the introduction of the new scheme from the Provident Fund we had a lot of suggestions in terms of the rate that should be attached to the deductions, and we were given examples of what happened in Belize, what was happening in Barbados, what was happening in several countries, and at the time we were deducting five cents on the dollar under the National Provident Fund up to a threshold of \$700.00 and it was suggested upon the suggestion to Cabinet by the present Minister of National Security that we should not go too much beyond the 5 cents on a dollar which some people took to mean 5% and the deductions should be split with the employer paying a smaller percentage higher than the employee and we are not too far removed after so many years from that deduction level. When one looks at the percentage deductions raised by the Leader of the Opposition one might feel that there is room to manoeuvre, in terms of the rate but I would wish to urge that we keep the rate at that level because the Honourable Prime Minister, the Former Prime Minister have all had very glowing things to say about the administrators of the fund and I also, Mr. Speaker, would like to add my congratulations to the Director who has come in for high praise, not only by the Prime Minister but by the Governor of the Central Bank of the Eastern Caribbean.

Mr. Speaker, the Honourable Prime Minister spoke about compliance officers or inspectors as they are called who have to run from premises of people and one of the problems in my understanding, confronting the compliance officers, is that employers feel that they have no weight, they feel they have no weight, well this bill will give them some weight. This bill will give them some weight! In my view the changes from a fine of \$250.00 to \$4,000.00 although significant is warranted. It is warranted because people expect when they pay and put up money for their retirement that when they retire those funds will be there. Mr. Speaker, we have gone even further and the implications of deducting and not paying in, go even further, because we have entered into what is called a reciprocal social assurance with Canada, countries on the international scene that agree that we can swap, you can work up there and come down here and draw your pension, you can work down here and go up their and draw your pension. So we have to make sure that our home and our house is in order because theirs is in order up there and we were able to negotiate the reciprocate arrangement with Canada because the scheme operating in St. Vincent and the Grenadines was a good scheme, for which the Director and his staff must take full credit. So Mr. Speaker, it is very important. So the compliance officers will have to be protected. It is my view that we need more compliance officers because upon my last

inquiry I understand that we only have 5 compliance officers for the whole of St. Vincent and the Grenadines, and I feel Mr. Speaker, that we need more than that, because some of the problems that I spoke about earlier; of people being independent contractors; we also are dealing with business people Mr. Speaker, who understate the number of employees in their stores because they have connections with other stores maybe sometimes on the same street. So we will have to be street smart in terms of our insuring that these employers comply with the law to paying for their employees. We have employers Mr. Speaker, who continue to employ workers without recording or asking them for their National Insurance Number. So the compliance officers must increase because the responsibility of providing that sort of information, you have to keep looking over the shoulders of the unscrupulous employers. We have employers Mr. Speaker, who are awarded contracts in this country from outside, they come in they do a specific job and they leave and then when the employee gets sick they find out that there is no money paid in into the scheme on their behalf. Where is the employer? Gone, disappeared.

So Mr. Speaker, I want to lend my support to this measure of providing penalties to the defaulters under the National Insurance Scheme. I also wish to say Mr. Speaker, that we have to be careful how we spend and invest the monies belonging to the workers who paid into the scheme for the golden years. Sometimes Government are tempted to do things to rescue certain areas of the economy but in the long run it might back fire and government will have to dip into their own coffers and I wish to give an example; the sugar industry was in some problem in St. Kitts and over a hundred million dollars was put into the sugar industry out of the National Insurance Scheme. It is highly unlikely that they could pay back all that money because of other circumstances in other parts of the world, so the government would have to go to the consolidated fund to meet the obligations to people who are retiring and who are due their pensions. I am saying we can learn from what is happening around us, so no big set of hundreds of millions of dollars need to be put to rescue another section of the economy. I say we can learn from what is happening around us.

I remember when I lived in Barbados Mr. Speaker, there was a windfall in the sugar industry, and the government paid out over \$40 million to the employers and sugar producers to invest in new equipment and new machinery for more efficiency and on the other hand give to the employees what they call some windfall payments and to the union, a couple million dollars for investment in workers housing, and that is how the mangrove housing project by the Barbados Workers Union started. Those days are gone, no more windfall, we gave to tighten our belts. Those days are gone, so we have to be careful, Mr. Speaker, with the investment portfolio and I agree with the Prime Minister when he said he run the people. Run them, because I was in a negotiation yesterday on behalf of workers at Cable and Wireless and one of the big problems that now confront those workers is the reduction in the investment portfolio abroad. The return on the investment, has gone down, some people lost over

\$20,000. They have gone down, they had some years of growth but now there is a down swing so people are going to be worse off and what has been happening is that people have asked for their benefits at a particular point in time down the road and nothing could be done to stop it because you see I want my benefits in August and the returns on that investment when you take it out it, it down. So we are trying now to work out another mechanism whereby we could ensure that that money and this monies, money invested by some of the big names, Merrill Lynch and all these people in North America who are the big investors of stock, which has nothing to do with company itself but the money handed over to these people, I say we must not hand over our investment portfolio to these external forces. We must not do it, we must learn from what is happening in around us. We look at CNN, we listen to the news, we hear how the stock market running, and even though we do not understand, if you look on you television screen you see the arrow pointing down that mean it drop, so even though you can't understand you know that is a minus so we have to be careful that our investment portfolio continue to be invested and to grow as it is growing presently.

Mr. Speaker, I believe that when you have a scheme as the National Insurance Scheme that has gone from a five cents on every dollar deducted when the NPF was introduced, one must give some form of recognition to the people who laid the groundwork and I remember Basil Coombs, I do not know how many people will remember him, and he was at the front as the Director, treading new grounds; Hugh Dougan took over, the little short fellow, very small but managed the fund and carried it forward. [Interjection] I do not say that, I tell you let me talk, I did not say that, I am saying I am giving the man his codoes. I am not talking about who send somebody where, I am not dealing with that. I am saying I remember how it started and who was in charge. And since it has arrived at a point now, where everybody pointing back, including the Central Bank to say it is one of the best schemes in the whole Eastern Caribbean, I am saying let us not forget the opening bats men who used to bat at the wicket. That is the point I am making.

**HONOURABLE MR. SPEAKER:** Honourable member has ten minutes.

**HONOURABLE JOSEPH BURNS BONADIE:** Did you deduct some for the interruptions?

**HONOURABLE MR. SPEAKER:** I do not think it is necessary; you interacted. [Laughter]

**HONOURABLE JOSEPH BURNS BONADIE:** Well I would just have to be quick on the uptake. [Laughter] So, Mr. Speaker, I wish also to pay tribute to a colleague of mine who is now dead, Sonny Boyce, who took over as he worked as representative on the National Insurance Scheme up until his death. And he was one of the better directors as stated by every single chairman, I wish also to say that Clarence Keizer who was the General Manger at GEEST was one of the directors that steered the NPF into the National Insurance Scheme and beyond and he made a tremendous contribution to the

success that we are now praising today. So Mr. Speaker, I support this measure in total. I call for an increase in the compliance officers because you have to have people on the road. You have thousand and thousands of employers so you need more compliance officers to cut down the work load so you can be more thorough in terms of the inspection. I know the law provides for them to share the books but we know that some of the books are “doctored.” But I wish also to appeal Mr. Speaker to the workers to ensure that they give the card number when they get a job and don’t think the employer giving you a job and you getting all your money in your pocket, the day will come when you have to retire and there will be nothing posted against you in the National Insurance Scheme. So you are not doing a favour to the employer, you are not doing a favour to yourself, you are doing an injustice to yourself. So I Mr. Speaker, lend my support, one hundred percent of it, to the introduction and passage to this measure.

**HONOURABLE MR. SPEAKER:** Any further debate on the Bill?

**HONOURABLE VINCENT BEACHE:** Mr. Speaker, Honourable Members the three earlier speakers, covered more or less in total the objects, aims of this bill and have all agreed that the bill is necessary; if anything I feel that may be it did not go far enough. National Insurance, this project, this scheme; it is something that must be administered with care and some degree of delicacy, there is a balancing act that is continual in that leader of the Opposition spoke about a reduction in our birth rate and this is true, and he quoted that our rates are the lowest and this is also true, but we have to be careful in increasing rates if we decide to do so. Because commensurate with the increasing rate which in the short term you might benefit, in the long term it means that you have to pay greater pensions. Since your pensions, if you get full pensions is based on some 60% of what your three best years of the insurable earnings, your average of those three best years. So obviously if at 6.5% your insurable earnings would have been \$40,000.00, this is just a figure I am taking out of the hat, and if that should have been doubled up to let us say 13% of contributions, it means that your insurable earnings would have been \$80,000.00 therefore your pensions would also be higher. So in the short term there would be some benefits because you would not have been paying out that to persons who are receiving pensions now.

I have questioned in this Honourable House when the Bill was brought and we are looking into it in the contributions area of the Bill it seems and still seem very, well a retrograde step in that, you have an employer who deducting funds from his employee but the employee has no way or means of knowing whether those funds were paid in, and I have questioned and asked earlier that it is going to cost some money but we want transparency that maybe at least at the end of the year there should be some returns sent to the employee showing how much was deducted before he gets it on his pay slip so he can always calculate this and see whether he feels too much has been deducted and whether it matches up with what it is. Because we have had a problem,

government as well, where there was a fire in public works, I think this was in NPF I am not sure, the records were all burnt up the contributions were not submitted as they should be on a monthly basis to the NIS and the employees are now suffering because of this, they would only get their pensions or their NPF based on what was submitted to the insurance scheme. But if that employee had something to show, he can take that in, it is like your bank book. If for some reason or the other we know banks have vaults that are fire proof, but if for some reason or the other you know your accounts in the vault go at least you still have your bank book that you can present to show well this is the balance in my bank book, you might loose a few cents because you might have drawn out some that did not go in or whatever it is, but at least the degree to which you suffer would not be as high as it is happening now. And I think we are looking into this even though it is in the legislation because under the Act it states that any regulations made under this Act should be subject to the approval of this Honourable House, to ensure that the employee is dealt with fairly.

Some employers I am told even though they submit the returns they submit less, and I think the Honourable Senator alluded to that, would submit less, there is no way of really verifying whether this is so or not and we need to have verification, and we have been saying this all along in the case of for instance Cable and Wireless, we said this in the House that we have no way of verifying whether what Cable and Wireless is paying are the true sums; and the same thing with the airlines, with the 5% taxes that they take from travellers whether they are paying the correct amount I am not saying for a moment they would do this deliberately, that they would cheat deliberately, I am not saying this of Cable and Wireless or LIAT or the others, but mistakes can be made. You only have to drop off a naught, and 100 becomes 10. So there needs to be some form, some system of verification. As the Honourable Senator Bonadie stated, we started the scheme and the level at which the contributions are set was based, as he told you, primarily on what was then the on going rate for the NPF. We started somewhat at a disadvantage having the NPF; and he will tell you that we spent months literally going over the programme, how we should marry the NPF with the NIS. There were all kinds of suggestions from the ILO personnel who was here, from other interested parties, some felt that we should convert the NPF funds into the National Insurance, that was fraught with a lot of problems and eventually the compromise was reached that the NPF would be kept separate and distinct and those persons when they become 60 would get that NPF portion in a lump some whilst the portion they paid as NIS would be converted into the pension.

So far it has worked well and it has worked well because sometimes when you start late you get the benefit of those who were in front of you, in that we went to St. Lucia, we went to St. Kitts, we went to Barbados, we got legislation and so on from Trinidad and all the other areas within the Caribbean that had a National Insurance Scheme going. And we were able then to marry the two schemes and to benefit from the errors that the other countries had made in their schemes. Unfortunately, Senator Bonadie

would tell you that the scheme as it is now there were some amendments made to it when the bill came to the House in 1985. For instance self-employed persons, I think the NIS is losing a lot of contributions because, I am not sure, I am subject to correction, that they have instituted the self-employed persons. Increase in contributions, I don't think that one has been implemented because when we started the Scheme and envisage the scheme it was said that those persons who wanted to pay a greater level of contribution would have been allowed to do this but it would not have been commensurate with their employers increasing their levels to suit. Their employers' contribution would have remained the same but the individual contribution from the employee up to a limit would have been able to increase than from say 2½ %, 3½ % whatever it is, if you want to pay up to 5% or 6% then that would have been allowed, but this was not to be so.

There are some employers who rip the employees off. You see, Mr. Speaker, when you collect monies, it is not your money, it is fraud when you do not pay it in. The employees are not banks so that you hold their contributions and use it interest free, the Act makes provision for penalties, but those penalties were small, and it is for this reason that we felt that you have to increase the penalties to make it substantial. That for people who were in contravention of the law, \$200.00 is nothing, maybe that's when they are buying drinks at a bar, but at least \$4,000.00 is a lot of money. So that we feel that, and I agree with Senator Bonadie, that we need more inspectors, we call them compliance officers it does not matter, in the Act it is called inspectors, we need more inspectors, we need a lot more inspectors, and we must ensure that when an inspector goes and he can show his identification card and say that I am an inspector for the NIS I want to see your books, and he must not give them too much time that they could cook their books. Some people might even carry two sets of books, one for their own consumption and one for the Income Tax and the public consumption. And I remember that one of the largest companies we have in St. Vincent, I was the first director for Government on that company and I remember the Chairman at that company, at our first meeting, I could not believe it, but stated, that the company should have two books, two sets of books, there was a gentleman from Canada, very honourable gentleman, and I said I would have no part of it, and you are insulting me, and I said I believe that is what you do in your other business; so that company I do not know if they do two sets of books now but at that time they only had one set of books. So you getting all of these schemes, they are not robbing the government, they are robbing their employees, that person who worked hard, sometimes he maybe could ill-afford the 3½ percent that is taken out his wages but it is to his benefit in the long term, and even not to his benefit, at least to his spouse and his children.

You see, Mr. Speaker, section 12 of the Act that deals with inspectors and it states quite clearly, that you see supposed

**“to furnish the inspector with all information that he needs and produce for his inspection all documents and any person without reasonable cause obstructs, impedes, hinders, molests or refuses admission to an inspector, in the exercise of any of his powers under this section or refuses or neglects to furnish any information or produce any document when required to do so under this section is guilty of an offence and is liable to a fine, now not \$750.00, but \$5,000.00, and to imprisonment for 6months.’**

Now I am not a lawyer, but I did not see and or but. This is saying to imprisonment and in my own layman’s term I am saying that if you guilty of this you go to jail, but I have not seen anybody go to jail. I know the prison is crowded and I know that they going up on the roof and they controlling the prison now, the prisoners, but I give you my word that within two weeks you would never see another prisoner on the roof of the prison there, once I have anything to do with it. [Desk thumping]. I told them they might win the battle but they cannot win the war. This country Mr. Speaker, denigrated into a free for all, no order, anyone would do anything anytime. And this was accepted, we are paying the penalties for this. I am ashamed when I go oversees and they tell me “well man your city is so damn dirty that the cruise ship is not even coming in.”

**HONOURABLE MR. SPEAKER:** Watch your language.

**HONOURABLE VINCENT BEACHE:** Sorry, I am only saying what they say Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Watch your language!

**HONOURABLE VINCENT BEACHE:** I am obliged, Mr. Speaker, I was not using it as such, I was only saying what they say. But, I take it, -- I am quoting, sorry I would not quote it anyhow Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Thank you.

**HONOURABLE VINCENT BEACHE:** So that we try to clean up the town and those who want to do what they want they are annoyed. You try to bring back some order in the society and they are annoyed. The expletives that you hear, what is bad, is not only adults you hear it from you hear it more so from school children than you do from adults. Well, I have spoken to the police and you do not want to use a big stick but that any person you hear using expletives, you should ask them to desist, and if they continue then to do something about it, you not just going to arrest or charge anybody, but if you are told that it is against the law and it is against the norms of society and you continue then action must be taken.

We see Back Street as a race track, we have some radar guns, and these are not guns that shoot people, lest people believe I am talking about guns that is going to mow down people, that is not it, that is the term used, radar guns. We would have to use legislation I believe before we can install them, but we would bring legislation soon and install those radar guns to track people speeding because persons lives are at stake. There is a little track out at Diamond if you want to speed go out there. Yes, join the racing club and go out at Diamond and speed. Because whilst I do not mind you speeding and killing yourself, I am mindful that you might kill a lot of people in so doing, and that is my concern. So we are giving ample warning that order must be brought back in the society. You have rights, the prisoners have rights; and we do not intend to trample on those rights but there are rules that govern the prison and if they are not prepared to obey those rules then there are penalties for breaching those rules.

Mr. Speaker, I can understand the Honourable Leader of the Opposition's concern about paying the 300 so farmers I think the Honourable Prime Minister/Minister of Finance when he wind up would explain it. I do not think there is any cause for concern. I do not think the numbers are going to increase for more than the 300, it is the same like the same scheme we have there, where there so many, they said would not get the \$80.00. That has not been increased, I agree with what he said that they did contribute but again, you see when you have bad management, it creates a whole lot of fall out, I was a banana farmer and I put pension money in the bananas and I did advise the farmers to leave their money there. But when you had a surplus, a reserve of \$25 million in the Banana Association and within six months, and this is not exaggeration, within six months that \$25 million vanished. And not only vanished, I think we also went into overdraft of something like \$3 million and so we are talking within six months you had used up \$28 million that is the time when another farmer Mr. Julian 'Bucky' Boyea was advocating that we should have a farmers bank, because we had money. Bad and poor management, and the farmers were getting worried, because, although we were asking that the pension monies be kept in a separate account, this was not done, so the pension money for the farmers were in the one banana fund. It is true that they did not use all of it, they used some of it, and farmers were worried that you have taken out my money the way things are going if I leave my money there I will get nothing, therefore it is better that I get my money now. I have to admit though that there were certain members of the Board who did not deal too strongly with trying to urge the farmers to leave their money there. They were not prepared to give them assurances. Because I am convinced that the meeting we had at the Russell Theatre where the decision was taken that if there were assurances given to those farmers at that time that the vote would have been different and the decision would not have been taken so that they can get their monies back. I do not know if you want to call it justifiable. There was a good reason why the farmers were insisting because they saw money just whittling away, vanishing. And there was supposed to have been an inquiry into this, none has come out. I do not think the monies were stolen. Do not get me wrong, but because of bad management I think at

the time when prices did not need to be increased, because farmers were getting a good price at the time, for whatever reason prices were increased and a whole lot of other things. So \$28 million vanished within six months. I have to admit that part of that was the rapid decline in the pound sterling that helped also to whittle away and reduce this \$25 million that was in the reserves of the banana association.

So you can say yes, the farmers had the pension fund and they took it out, but these farmers in any case who was going to get this \$80.00 they did not have very much in the pension fund because their production was low and the larger farmers who selling, 3, 4, 500 boxes per week, those were the ones who had most of the money and those are the ones who would have benefitted most, these small farmers here had little or nothing in the pension fund. So these 300 farmers are people I think down there, because what \$80.00, I am not sure, but I feel that the fund, the way it is managed, good management, all of us agree that for \$300,000.00, \$380,000.00 I think the reserve fund, the total reserve fund interest that they got on investment was in the order of some \$8 million, I am told there about. So if you take quarter of a million dollars or a little over quarter million dollars I do not think it is going to affect the fund much; but I quite agree, I cannot see that we are going to increase more than 300 farmers. This is a one for all, these are 300 farmers who are still in the industry, not farmer, and I am out, so I do not expect to get any. But those who are at present who are there and who would have to go, those are the ones I think would get it, so I do not think the Honourable Leader of the Opposition, I know his concerns, I can understand, because under his management of the fund, it did quite well, and you have to praise him and the others that we have got the accolade, that it is the best managed fund in the Eastern Caribbean and we have to be grateful and thankful for that, and we would not want to see anything happen to the fund that would make this any less than it is now.

So I think Mr. Speaker, that we have increased from \$750.00 to \$5,000.00, if you interfere or do not comply with the inspector. I have to say though, I hope the inspectors are carrying their ID cards so that there would be no doubt of who that person is. I think Mr. Speaker, on Section 39, which is recovery of contributions, the Honourable Prime Minister who led off on this bill spoke about this; is how we can recover when you did not pay, and I think that we should enforce the penalties; that if you do not pay you pay the percent or whatever is, interest charge if you are late unless you can give reasonable excuses or convince the Director that you had a valid reason for not submitting the money.

Now, Mr. Speaker, we have increased the fine in Section 37, which is offences and penalties. On the offence and penalty part of the Act, there are two parts, from \$1,000.00 if you fail to pay within the time prescribed for the purpose of any contribution which you are liable to pay and that is now increased from \$2,000.00 to \$4,000.00. I believe in the metric system myself and felt that should have been

\$5,000.00. 10's and 5's metric but, it is still an improvement. Also, Mr. Speaker, same section 37 (2) and (3); Both those penalties are increased from \$1,000.00 it used to increase before from 1 to 2, in the parent Act. There was an amendment, they increased it and it still had no effect on these persons who were not paying in their contributions. Well it is now going to \$10,000.00. And with the other amendments that we are bringing here, you are not going to be able to dispose of your property etcetera, until these obligations are met, or whoever wants to buy your property if it is not signed by the Registrar, it is like land taxes, if you buy property and you buy without finding out whether the person paid their land taxes, you have to pay the land taxes, so that is what is going to happen, because I think it is criminal that you keep monies that you have collected, actually collected from your employees and would not pay it into the Fund.

The Fund is a good thing, not only for the citizens of this country but for the country as a whole. I am also not supportive of money managers; people who are going to use monies to buy maybe stocks, high yielding stocks, in the American Stock Exchange, whether it is New Stock exchange or Chicago or whatever it is, because when the stocks are rising, and everyday you are hearing that stocks you thought were gilt-edged, and stocks that you thought could not fall you see that something happens and they plummet in price. I think if we are to invest overseas we should invest in institutions like Crown Agents that you know you cannot lose your money, because at least crown agents is backed by the British Government; at least they are part of the institution of the British Government. The returns on interest might not be as high as you might get investing in Shell stock or Microsoft stock or whatever it is, but those of us who know the stock market, (I am not an expert or anything,) who see how the stock market works, you just have to fire or get rid of a CEO, you know, and people feel that that is going to affect the performance of the company and the price of your stock start falling. As simple as that. And also the Governor of the Federal Reserve Bank only have to either put up interest rate or cut interest rate and that affects a lot of stocks in different areas, so I do not think that we are capable or we have the intelligence or we have the expertise to be dabbling in the American Stock Market, or for that matter the European Stock Market. If you want to invest in companies that have government's guarantee, Canadian Government or even the US Government or the British Government that is a different matter, so we have to be careful here and I think we would be, agreeing with both the Leader of the Opposition and Senator Bonadie that we must tread wearily, when it comes to people's money that we are going to use.

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

**HONOURABLE VINCENT BEACHE:** Ten, Mr. Speaker? Thank you. The clock runs faster when I am speaking it seems. I am obliged, Mr. Speaker.

Mr. Speaker, each of us, we have a part to play towards the development of this society, every Vincentian or for that matter every person who lives in St. Vincent and who is conducting business or whatever in St. Vincent; and we have to be our brothers keepers. If an employee knows that his contributions are not being remitted, he should not keep quiet. Some keep quiet because they are fearful that they will lose their jobs. But it is your money and certainly you should be quite willing to ensure that your monies are paid in, because it is you who they are going to affect, not me. And we have legislation which would be coming here for amendment soon, the Protection of Employment Act. There are some deficiencies in that, and I am sure that Senator Bonadie as a Trade Unionist would know and understand this is, to protect employment; You would get some spiteful employers, because you say, you want to know whether your monies have been paid in, and they may say you are asking too many questions and therefore try to get rid of you. So we are going to put more teeth into the Protection of Employment Act to ensure that people who are seeking their rights are not penalized for so doing.

Mr. Speaker, I am sure that no member in this Honourable House would have any problems or objections to the Amendments to the National Insurance Act. It was introduced here earlier by the Leader of the Opposition and he has gratefully stated that he would support it, except for the concerns that he spoke about, and also Senator Boandie. I think the Act is something that is going to be done to the benefit of all Vincentians and as such Mr. Speaker, I wish it the easiest of passage. Thank you.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, in winding up the debate, on the second reading of the Bill for an act to amend the National Insurance Act Chapter 229, I would like to make a few comments. First of all I want to reiterate something which I said in the answer to the question to Senator Shallow on the matter of Social Recovery. Perhaps I was not as clear in my language as I should have been, or perhaps the Leader of the Opposition might have been in conversation with the Member from the Northern Grenadines, or maybe he is probably reflecting as to how he has been lynched in respect of the leadership of his party, in which he has been reduced now to mere formal leader. If I did not speak with clarity, I apologize, if in fact as a consequence of his reflections on his lynching, that is something I cannot do anything about. Because I had expressly said that we have two different levels or perspectives in relation to social recovery, and the Hansard will show this, the first one relates to the 300 displaced banana farmers and that the criteria would be as is in existence for the non contributory age pension. I went on further to say that we were going to do about slightly over a hundred for the balance of this year and the bulk of the remaining 300 next year, maybe all the remainder, and that though the age criteria would be as for the non-contributory age pension we may reduce the years, the age of the person, if it turns out, when the identification of all the individuals is done that we do not have the persons of the particular age who these set of criteria would apply to. And I said that this is only a part of the social recovery programme

which we are talking about for the entire restructuring of the banana industry, and that there is a more comprehensive social recovery programme which is planned. I asked the NIS to work with the social development Ministry, with the Banana Growers Association, with the banana advisory committee and with the Ministry of Agriculture to devise a proper social recovery programme which would relate to all farmers and which we will present to the European Union for funding. But we wanted early in the game to do what we can to show them that we are taking some actions that the 'Lord help those who help themselves'. In fact that was the summary of my answer. I repeat almost word for word, I do not know if what I have said here is clear enough but I believe it was clear the first time, so I have to go to the other alternative proposition which I had advanced earlier for us to conclude, [Interjection] No, we do not have the same problem now with great respect because we say that we have 300 farmers who are going to be displaced, those are the most seriously affected ones, because I am concerned about arresting rural poverty and I do not want, and I will not say that the Leader of the Opposition is being Scrooge like and do not want me to give 300 poor displaced farmers the money, I will not say that. What I will say is that his caution is misplaced because the Government is seized of the need to maintain the integrity of the National Insurance Scheme.

So, I want to say, Mr. Speaker, that these are the numbers which the actuarial study indicates to us that the NIS can bear. I should point out Mr. Speaker, that I believe that the European Union would look at a social recovery programme with some interest and I have discussed this, conceptually with his Excellence the Head of the European delegation in Barbados who has responsibility for St. Vincent, Ambassador John Callagurue. And I would like to say this, the European Union is seeing a certain seriousness about this government and they have commented about the seriousness of this government in dealing with projects in a timely manner. They like the manner in which we are doing business. Business-like, forthright, aggressive, energetic, scientific, thorough, those are some of the descriptions they have been using, because we, -- and Ambassador Callagurue came to me yesterday and he confirmed something which I said yesterday morning in an address to the community college students, the graduating students. That the \$5.5 million, school repair programme on the 71 government owned schools in this country, 61 primary schools and the other secondary schools; that it is the speediest European Union Project ever, not only in St. Vincent and the Grenadines but in the entire Caribbean and our Government is only three months old. The idea for that programme arose, in my first meeting with Mr. Callagurue on the 26th of April, call it the first of May, and yesterday he brought in his briefcase the signed contract for the \$5.5 million. Of course you know how I am folksy, I rush from down there, I met him waiting outside, in the room at the Prime Minister's Office, he had two other persons from the European Delegation with him and I went to him shook his hand and embraced him, I said I welcome Greeks bearing me gifts, because he is from Greece. They often say beware of the Greeks bearing gifts, but I want the \$5.5 million so I embrace him and I say I welcome ye Greeks bearing me

gifts, “and he said I have it in my bag for you.” Now, just understand the work that has been put in for such a programme so that the European Union sees the manner in which we are proceeding and I am pretty sure they would respond accordingly.

In relation to the investment of monies overseas, particularly using money managers, a group came to me, some of them came with a very beautiful curriculum vitae, investment portfolios controlled by them going into billions of dollars. I was asked if I could see them, four of them, so I got personnel from the Ministry of Finance, Director General of Finance and the Fiscal Advisor, Mr. Martin, I had them in the Cabinet Room, they came with charts, and if you see fancy booklets, and after half an hour and I asked a few questions and I winked to ‘Sims’ and I winked to ‘Sketch’ the Director General, I got up and told them that I had another appointment that I am really sorry I have to go, I say you can continue the presentation if you want to with Mr. Martin and Mr. Edwards. They contacted me by phone later on to find out if I am interested, I told them no, we have no interest in these matters. They want to use NIS money for some fanciful scheme of investment but you see, they had believed the rhetoric that I am a simple country lawyer who do not understand these things. Remember I do not have any knowledge of these things you know, I had to chase them, we would not be playing games with the workers money.

I am impressed with the thoughtful proposal of Senator Bonadie regarding a possible adoption of the Barbados legislation to plug a loophole where employers use the methodology of contractors, of independent contractors and holders of commissions to circumvent the legislation. And whilst you were talking I was asking the Attorney General and Mrs. Pet Sealy-Browne to make a note of that for us to follow up on it, that is how we do work in the Ministry of Legal Affairs and the Attorney General’s Office. Because that is a principle I accept as being part and parcel of the way forward, “together now.”

I also think that the suggestion by the Honourable Minister of National Security is an excellent one, which has also been noted by the Attorney General and also by Mrs. Pet Sealy-Browne. And remember this, all these laws and amendments are being churned out by the Attorney General’s Chambers. We do not have a Legal Drafts person you know; we do not have a Solicitor’s General, yet, you know. It is these two women whom you see here, basically, and you see the legislative agenda already, and wait until the 19<sup>th</sup> you will see legislative agenda. You will see. That is why I told you it is 15 years work we have to do in four. And that is why you cannot go on any holiday. You might take a weekend; you might take a little week here and there, but no extended holiday. You will be working for your money in the Parliament of St. Vincent and the Grenadines.

On the suggestion that there be returns sent to employees annually to see the extent of the NIS paid in, of course there is one gap for those employers who do not register

their workers so that the inspectors will have to check that to make sure the workers are registered, but that is an important idea in respect of those who have registered and the bulk of them have been registered. So we will capture a large number of persons to avoid some of the mischief which we have been talking about which the employers have been perpetrating.

So we are not only cleaning up little Tokyo, we are not only cleaning up the problem left at Diamond Dairy, and I want to assure Senator Bonadie that when the bids are opened, because you know we have accepted the scheme on arrangement you will see the money in the supplementary appropriation bill, \$155,000.00 for the minority shareholders and \$2 million to buy 13 acres of land out at Diamond Dairy. Then you go through in a short time the administrative arrangements necessary for the bids to be opened by the liquidator and who wins the bid in accordance with the criteria established, the money which is paid those workers will get their severance pay, from the money. If the person who takes the bid says he wants to keep on so many workers and therefore carry an inheritance of that severance pay well that is his or her option. So you not going to find this workers' government, this people's government with this Minister of Finance, with this Prime Minister, allowing any of that kind of thing which you talking about to happen. I have already said there is a principle which I have established, you owe NIS money, do not come to me to ask for any concession. Pay your NIS money first. That is the first thing. You have to go through purgatory. Purge yourself of that, clean up yourself with the NIS. I also discovered that some monies are being paid to somebody from whom the government rents buildings and he owes, thousand and thousands of dollars of property taxes, well there got to be some set off. You cannot owe me and then expect to get from me, it just is not fair, make an arrangement because you do not want to sink anybody, a man has to swim so let us work it out.

In the cleaning up too, Mr. Speaker, as I said there is a historic wrong which has to be righted to the 523 workers at Rabacca and the 70 at Wallilabou and the 120 down at Richmond, they will get their severance pay, they have not gotten it for 17 years, they will get it, mark my word, and the measure which was given grudging support by the Leader of the Opposition, and the de facto formal leader of the New Democratic Party on Tuesday concerning the amendment of the Company's Act. Maybe you have close to a thousand overseas companies which own lands here and they will be required to register and under the existing law is \$3,000.00 they have to pay immediately upon registration as an external company. If it is a thousand of them by \$3,000.00 that is \$3 million. I done pay for the workers severance pay without taking a penny from the taxpayers of this country. [Applause]. And that is what the formal leader of the New Democratic Party having not received instructions from his real leader was making the noise of not wanting to support or supporting in a grudging way. So we are cleaning. We are cleaning!

Mr. Speaker, I am very appreciative of the comments and the support given by the members of the Opposition for this particular bill. I want to move therefore Mr. Speaker, that the whole House resolve itself into a committee of the whole House to consider the bill clause by clause.

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

*Question put and agreed to.*

*House went into Committee.*

*House resumed.*

*Bill reported, read a third time by title and passed with few amendments.*

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, it is 1:25 p.m. or thereabout perhaps it be the convenient time to take luncheon adjournment until 3:00 p.m. I so move.

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

*Question put and agreed to.*

SUSPENSION OF SITTING 1:25 p.m. (Lunch)

RESUMPTION OF SITTING 3:10 p.m.

**THE CONSUMER PROTECTION (BUREAU OF STANDARDS) (AMENDMENT) BILL 2001.**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members I beg to move a bill for an Act to amend the Consumer Protection (Bureau of Standards) Act, 1992.

This Act seeks to amend the Consumer Protection (Bureau of Standards) Act, 1992, in order to allow the Bureau to function more effectively and efficiently. The title of the Act has been changed due to the fact that the standardisation under the Act only relates indirectly to the Consumer and is more linked to developing the manufacturing, commercial, and services sectors for trade purposes. The appointment and other matters relating to the Standards Council have now been placed in the body of the Act itself and not in the Schedule and two more provisions have been included to allow members of the Council who represent a particular organisations to resign from the Council, when they cease to represent the aforementioned organization. The Consumer Protection (Bureau of Standard) (Amendment) Bill 2001, Mr. Speaker, I move the first reading.

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

*Question put and agreed to.*

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members I beg to move a bill for an Act to provide for the establishment of a National Lotteries Act for promoting the development of Lotteries in St. Vincent and the Grenadines and for purposes connected therewith.

This Bill seeks to establish the National Lotteries Act which provides for the establishment of National Lottery Authority and the National Lottery Board. The Authority under the Act should be responsible for the operation of the Lottery and shall be administered by the National Lottery Board. The Act provides exemption from stamp duty and income tax and creates penalties for misappropriation of funds by any person. General powers are given to the Minister to make regulations to allow for the prompt payment of prize monies and for the control and discipline of the staff employed under the Act.

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

*Question put and agreed to.*

#### **SUPPLEMENTARY APPROPRIATION BILL 2001**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, let me just first say in relation to the two bills which we have just had the first reading on. That is to say the National Lotteries Bill and the Bill to amend the Consumer Bureau of Standards Act. We will make our best efforts to have these bills circulated to interested parties, so we can have discussions on them, because they are two bills which, whilst very important do not have the same urgency of some others which we have asked for all the readings to be done one time, so we can have some input particularly under the together now principle.

Mr. Speaker, I think the correct procedure, rather than to present these as supplementary appropriation Bill, to put that on I think what we have to do now is to lay the Estimates and debate the Estimates, because under the Constitution the same procedure must be followed for the Supplementary Estimates and the Supplementary Appropriation Bill as in fact for the Estimates, the annual estimates and for the Appropriation Bill. What I want to suggest Mr. Speaker, Honourable Members and with the agreement of the Opposition, and I do not believe that there should be any difficulty in this regard, is for us to take a motion for the four sets of Estimates and discuss the estimates in an omnibus fashion and then proceed to do the same thing in relation to the bills, the Supplementary Appropriation bills. These estimates and the bills really

relate to expenditure not during the life of this Government but under the life of the previous government. And indeed these estimates, supplementary estimates and supplementary appropriation bill were presented before the dissolution of Parliament, except that the estimates with the explanatory notes were not circulated and those have to be done in accordance with the law; and we have to do things properly. Now that they are all before us and properly circulated, we have to carry out this exercise in keeping with the provisions in the Finance and Audit Act. So if the Leader of the Opposition does not have an objection, I will move a motion for regarding the approval of the Estimates in an omnibus way. There are four sets and they are numbered, 6,7,8, and 9 but they should be 1, 2, 3, 4, the first one for the supplementary appropriation bill and then 2, 3, and 4 2001. They were numbered for the 2000 sequence, but since we are in this year, indeed the Supplementary Appropriation bills were presented last year but because of the dissolution of Parliament they never go to be debated. So I do not know if the Leader of the Opposition is in agreement.

Mr. Speaker, the Leader of the Opposition has indicated that he has no objection. I therefore move, Mr. Speaker, that the Supplementary Estimates circulated as 6, 7, 8, and 9 of 2000 but renumbered as Supplementary Estimates 1,2, 3,4 respectively that I move that these be laid and adopted.

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

*Question put and agreed to.*

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members I am in the invidious position as Minister of Finance having to move the approval of supplementary estimates with which I had nothing to do; but for the sake of tidiness they have to be approved by this Honourable House.

The first estimates, Mr. Speaker, and which connects with the supplementary appropriation bill and which we label number 1, it is for authorization in respect of amounts issued to the sum of \$1,136,963.00, both recurrent and capital. The sum for the recurrent, amounts to \$448,973.00 and for the capital \$687,990.00. In respect of Supplementary estimates 2 of 2001 to which supplementary appropriation No. 2 bill of 2001 relates is for the sum total of \$4,470,440.99. Consisting Mr. Speaker of recurrent expenditure, and the recurrent supplementary estimate of \$1,827,153.99 and supplementary capital estimates of \$2,643,287.00.

Then Mr. Speaker, supplementary estimates No.3 of 2001 the formerly No. 8 of 2000 which connects with the supplementary appropriation bill No. 3 of 2001 is for the sum of \$6,337,370.88, consisting of \$2,425,467.88 as recurrent supplementary estimates and for the capital estimates supplementary of the sum of \$3,911,903.00. And for

supplementary estimates No. 4 of 2001 former number No.9 of 2000. This Mr. Speaker, is for \$3,812,003.00.

Mr. Speaker, I would like to address these in an omnibus fashion as we have agreed. If we look at supplementary estimates, the first supplementary estimates, No. 1 of 2001 we see recurrent of \$448,973.00, the most significant item which is there relates to \$426,886 to provide additional funds to settle outstanding bills for the street and traffic lights for the end of the financial year. Now, Mr. Speaker, these traffic lights have really from our perspective caused no end of trouble and worry. They are not working properly many of them for long periods of time and the electricity bills are just phenomenal and part of the original justification of these lights was that it would save in a lot of cost in that you would not have traffic police deployed there, that could be deployed elsewhere and that they will better serve the traffic. Well I would say that there are a large number of people, perhaps the majority of people in this country, who are thinking that well, they were a waste of money, and there are a lot of unanswered questions in relation to those street lights which we have to get to the bottom of. I know, Mr. Speaker, as I have said earlier, I am in the invidious position of presenting these supplementary estimates as the Minister of Finance but really these expenses were not incurred on my watch, so I am presenting them as Minister of Finance yet I am in the very critical position as if I were Leader of the Opposition, simply because they are really not mine.

Then the capital estimates for that year of \$687,900.00 for provisions of funds for of purchasing of fire fighting equipment. I want to say Mr. Speaker, that we have secured from the Republic of China on Taiwan a very important fire tender which is a gift which would be able to address the tall buildings; I understand it is costing close to \$800,000.00 and should be here in St. Vincent and the Grenadines sometime within four months or there about. It is manufactured by a number of different companies, there is the British Company and then of course there is I think some other European country which had something to do with parts of the equipment and some company in Japan which had to do with another part of the equipment. You know how these pieces of equipment are usually multinational. But we have to get training for persons to use that as we will see on the street the fire engine. But this is one with an aerial extension. With an aerial ladder to go on the tall buildings. I noticed my friend Bassy Alexander had said that I really asked for it from the Chinese because if there is a fire in the finance complex I want to be able to get out quickly, of course Bassy will say these things for jest. We have a lot of buildings, big buildings, tall buildings in the city and we need fire equipment.

Now, No. 2 of 2001 formally number 7 of 2000 with the recurrent estimates of \$1.8 million there are some things on it, which I want to comment on very briefly. Mr. Speaker, the first item. Item 1, Ministry 1080 the amount appropriated \$9,430.00 relates to the matter of the Tobago Cays. Mr. Speaker, I want to say that we in the

ULP Government we are seeking to develop the Tobago keys. I have already given instruction to the police, I have given instructions to the Planning authorities to go and clear the shacks which are on the Tobago Cays. There will be no shacks on the Tobago Cays. And I am awaiting on a report to see if these instructions have been carried out. The Tobago Cays is an environmental Marine Park and we cannot have the Tobago Cays being turn into a dump. They mess up little, Tokyo we have to clean it up, they have allowed the Tobago Cays to get nasty and have people living on the Tobago Cays in shacks, that will not happen. They will have to go. We have not bought the Tobago Cays for a million and something dollars to have it occupied with unsightly shacks. That will not happen. But we have to have a programme of development for the Tobago Cays and I am currently having under review a number of different ideas, I am sorry Parliamentary Secretary Snagg is not here; he had to leave to go to Union Island on some business this afternoon, he had sought permission to leave. We will be presenting a comprehensive programme for the development of the Tobago Cays and for its maintenance as an idyllic setting. For instance you have people dropping anchor on the Tobago Cays mashing up the coral; that will not do, will not be permitted under this Government. We have to have an orderly development and maintenance of the Tobago Cays for its purpose as an environmental Park so that my great grandchildren maybe able to see the Tobago Cays in the same way they are today or even in an improved situation. And I am sure the Member for the Southern Grenadines shares my opinion. I do not know if any of the people over there are his supporters or our supporters, that does not matter me, you cannot build a shack on the Tobago Cays.

Then Mr. Speaker, I see a sum of \$180,000.00 to cover the cost associated with the appointment of a Commission of Inquiry to investigate conditions at Her Majesty's Prisons. Mr. Speaker, while I was speaking this morning and this afternoon you have prisoners, 2, 3, 4 of them on the roof. Well the Minister of National Security has indicated that within two weeks you will not be seeing prisoners on the roof or if they are on the roof they will be there at there own peril, because any prisoner who goes on the roof of the prisons will be presumed to be attempting to escape and will be treated as potential escapees. You cannot be inside of the prison and come on top of the roof.

Mr. Speaker, you notice a sum of \$125,000.00 to provide funds to cover the visit of the Gambian President luncheon and snacks during meetings of Government officials and other ceremonies. Well, it is for the people of St. Vincent and the Grenadines to consider whether the visit of President Jamaih was worth \$125,000.00. Jamaih heads a regime which shoots down journalists and students, as you know there has been a great deal of controversy about this particular visit. We welcome our African brothers and sisters here and I respect very much the people of the Gambia but we have to ask whether in fact this sum of \$125,000.00 is justifiable to have President Jamiah here.

Mr. Speaker, there has been some other sizable expenditures \$201,858.00 to provide funds to repair the old glove factory building to accommodate students in Kingstown. Well we had to do something there about the students; I just want to highlight the sum. Simply because of the conditions there at the Anglican School.

And then there is a sum, Mr. Speaker of \$275,000.00 to provide funds to effect payment of one half of the cost of national honours insignia, payable as per agreement with the suppliers Sphinx of London \$275,000.00. The law had not been passed yet but the Government proceeded to order insignias and I want to invite Honourable Members and I can arrange with his Excellency the Governor General for you to go up and see what has been ordered. Sets of the grand Collar. Sets of the Grand Cross; sets of the Commander Diplomas and a Role of Honour and the Seal. I had a viewing of them over a month ago and as we say on the road, "the thing them done turn." They are tarnished and they were bought and delivered in late 2000. Because in August 2000, Peter Scott, the Associate Director of Sphinx was writing to the Minister of Education, Culture, Women and Ecclesiastical Affairs, the Honourable John Horne talking about the design. And they were delivered in late 2000 and there is a note here, of February 1<sup>st</sup> 2001, a note on the file which shows that the Honourable John Horne went to Government House to inspect the insignias for National Awards at 2:00 p.m. on that day and he found that they were tarnished. I told you the thing them done turn.

Now, Mr. Dix the Director wrote to his Excellency in April this year April the 6<sup>th</sup> 2001 and he said in this letter, remember this is just a few days after the general elections.

"We have recently been contacted by (this is what he said to His Excellency) We have recently been contacted by the Honourable John Horne regarding the Order of St. Vincent and the Grenadines." That is only the order but all of them turn. And I have to speak the language of the people. They are tarnished. That is the proper way we have to say it, but as we say on the road. All of them turn, they done turn. And this is what he is saying:

**"We have recently been contacted by the Honourable John Horne regarding the Order of St. Vincent. We understand from Him that the insignia supply has tarnished and requires cleaning. Silver and silver gilt tarnishes naturally due to properties in the metal reacting with the air, this is more prevalent in some parts of the world due to environmental factors, areas where there is a high humidity rate such as close to the sea are more susceptible."**

The fellow now looking for a way out. The humidity and we too close to the sea, that is why they turn.

**“As requested by John Horne we hereby enclosed a statement of authenticity for the insignia already supplied, cleaning material and instructions for cleaning, should this not be successful please feel free to return the insignia to us for attention in our workshops. We hope that the situation has not cause any undue problems.”**

No undue problem for them because they done get all the money, and the thing them turn in a few weeks. Interestingly the statement of authenticity is issued by Sphinx themselves, not by independent people. You see when we get into this business of dealing with serious matters we have to be very serious and thorough. I am not putting this at the door of any member currently on the Opposition, I am putting it at the door at the entire former government for which the current Opposition certainly are the natural heirs and inheritors. You know, the instructions they sent they telling us how we must dip these things inside and when you dip it you take a piece of cloth and you wipe it, but if that is not good enough you send it back to us. So this is another mess we are left to clean up, \$275,000.00 worth of mess. You know I have to tell you, I had to joke with his Excellency, I said if I gave my wife a piece of jewellery like that and it turn after a couple of weeks she have all right to throw me out of her bedroom. I notice the Honourable Member from the Northern Grenadines is laughing. I understand the hilarity but at the same time you spent \$275,000.00 in the Supplementary Estimates which I have to come here to have approved. Of course we can vote against it, but Sphinx already got the money. Who are we going to try and get the money from, John Horne, he would say he acted under authority. So we would just be going around in circles. So all we have to do is pass these things get them out of the way and see how best we can do the cleaning up job. It is a real conundrum with which we are faced. And I am sure Senator Shallow finds himself in the same position that I have found myself. And the Honourable Member from the Southern Grenadines and the Honourable Member from the Northern Grenadines. Like me they had nothing to do with this, but they have to bear the pain and the shame.

The Capital Estimates Mr. Speaker, in the same No. 2 of 2001, there is an item which I want to say something on. There, is \$1 million to provide funds to make payments to the contractor on the Central Market. That money was paid to the contractor to assist with the completion of the market, the same market out there where they have 50 more cleaners than is necessary. When we try to redress the problem and give people two weeks on and four weeks off, and I to say to some, well there is really no space for you because you have more cleaners than customers. you have more cleaners than space to clean. They say it is victimization. But they gave the contractor \$1 million to help to finish this, a special warrant was approved in December 1999. I have received a report on the market, we need over a million dollars to complete the market. I want to repeat it for the public to hear. We require more than a million dollars to complete the market, and close to \$18 million has already been spent. The top floor is not complete, the bar and restaurant area, and some of the work is crude and rough.

Now, Mr. Speaker, Honourable Members we have taken a decision by Cabinet to give Slicks the top floor, I do not know what is Slicks politics. Slick came to me, as I think he went to the Honourable Leader of Opposition when he was Minister of Finance, as I think he had also gone to Prime Minister Sir James Mitchell at the time. We cannot put somebody up there who does not have good skills as a restaurateur and Slicks is a good man. He has tremendous experience down at PSV and he has run Slicks out at Villa, so he is a good man. Slicks equipment is on its way; I believe they have arrived already. Slick cannot move in for Carnival to make a dollar because the NDP left us the Market unfinished. And we need over a million dollars. We had to take a decision on Wednesday last week at Cabinet to rehire the consultant out of Trinidad, they owe him money they have not paid him, we have to go and take care of that back money which they owe him. I have not yet verified the full amount. He has not done anything in relation to the accounts since last year, and I do not blame him, because he is not getting paid. Those are the facts in relation to the market out here.

One of the problems they will tell you is that in the middle of last year the then government took a decision to suspend further work on the restaurant pending a decision as to whether the restaurant should be operated by a single operator or to be subdivided for use by more than one proprietor, and they did not come up with any final decision. Earlier in the year 2001 there was a breakage of a 2 diameter water line in the basement which caused flooding of the elevator pits. With reference to letters between the contractor and project managers, further work by the list of contractors to complete installations could not be done until the contractor pumps the water from the basement. In the project manager's letter dated the 23<sup>rd</sup> April 2001 to the Director of Planning, it was stated that by copy of the same letter to the contractor, the project manager was requesting that they lift sub contractor be instructed by the contractor to complete the installations. The contractor need to enclose the bar and complete the remaining interior work. The bar on level two. You need to have the landscaping completed.

Honourable Members what we have out there is another mess, which the Unity Labour Party has to clean. So when you see he top not open for Carnival do not blame us, because we need over a million dollars to finish it.

Then Mr. Speaker, you would see item 11. there was a special warrant issued on the 22<sup>nd</sup> of December 1999, brace yourself for this one, not in the Budget, but they did it quietly by a special warrant and brought it here over a year later, \$231,400.00 to provide funds to pay Dr. Kenneth John for drafting and preparing the leases for Rabacca Farm's Limited. \$231,400.00. Well I tell you something if on one deal I get that I am likely to do what Dr. John is doing singing for my supper. \$231,400.00. That is almost one-fifth of what we would be required to pay the 503 workers for their severance pay up at Orange Hill.

And Mr. Speaker, I turn to number 3 of 2001, Supplementary Estimates formally numbered 8 of 2000; you would see an item there, Mr. Speaker, Item No. 5, \$120,000.00 to provide funds to pay subvention to St. Vincent and the Grenadines Broadcasting Corporation for the year 2000. They left us the NBC Radio 705 with a debt of \$1.1 million and counting. \$1.1 million. Mr. Speaker, the Chairman of that Authority was the General Secretary of the NDP, Mr. Kerwin Morris. And he and his Board made a decision communicated it by way of the Manager, a wholly constituted NDP Board, told the ULP in elections, when we were complaining, we complained to the Christian Council, you know, say how is it that NDP during the election campaign having the radio station 705 every night to do their broadcast, why is it that the ULP cannot get time. In breach of the agreement with the Christian Council, they allowed the NDP to do that and we enquired they said, well you could get time if you want but you have to do like the NDP pay for it upfront, but I have always been interested to see whether the NDP paid upfront. The NDP for the election campaign left the sum of \$28,000.00 up there. \$28,000.00 incurred during the election campaign, but ULP could not get 1minute time unless you paid in advance, but their Board headed by the General Secretary of NDP allowed the NDP to run up a bill of \$28,000.00. There is definitely an Almighty God. Because desired all that, they still lose and lose badly. So when I hear some of them talking these days as though they gone on a higher moral platform. You know, when you go and lie to a Lord Bishop as the NDP did. You really do not have respect for anything holy. Lie to me but not to the Lord Bishop when he asked you the question. And we are trying to reorganise the National Broadcasting Corporation as I indicated in an answer to a question from the Honourable Leader of the Opposition on Tuesday.

Mr. Speaker, Items 10 and 11 Recurrent Supplementary estimates No. 3; I am not calling the persons names but the then Government brought cases against two public servants, they ended up having to pay, the cases them got thrown out, they ended up having to pay one of those public servants \$174,046.37 for her salary, because she was not paid for that period of time. \$174,000.00. Then another one they had to do the same thing for \$30,131.00; well I know there might well be people who will comment on what happen at Gibson Corner, \$800,000.00 in item No. 12 \$800,563.51. Sometime in the not too distant future I will make a more fulsome statement on that issue when I have all the facts which we are gathering because I do not like to talk unless I have all the facts. I know sometimes some of the people in St. Vincent and the Grenadines particularly our supporters are anxious for you to say certain things about certain matters; but we cannot talk unless we have all the facts. And you noticed recently over the last few days I giving you more and more of the facts and you will get more in the coming weeks.

Mr. Speaker, Item No. 15 goes to show the cost of holding a conference like the CARICOM Heads of Government. Indeed you see here \$275,000.00 to provide funds

to meet the cost of the Heads of Government meeting CARICOM and in Supplementary Estimates, 4 of 2001, recurrent there is \$550,000.00. Item 1 also for CARICOM; if I may say Mr. Speaker, parenthetically on Monday I leave to go to the Heads of Government for CARICOM for this year in the Bahamas. I will be taking a delegation of four including myself. My wife will go along with me, because there is a programme for wives. The Ambassador for Washington will be coming down to the Bahamas as my principal technical supporter and also the Prime Minister's Personal Aide and Press Secretary, Glen Jackson. Normally at these events government tends to travel with more of such persons, but we are trying to keep the numbers down as best as possible and we have determined it is easier to have Mr. John to come there since I understand too he has to come down shortly thereafter for a consultation here in St. Vincent and the Grenadines. Ambassador John. I will of course report to the nation on my return about that particular visit and the decisions made.

Mr. Speaker, I want to address as Minister of Legal Affairs Item No. 22 in the Supplementary Estimates, recurrent estimates \$23,280.00 to provide funds to pay for accommodation for Mr. Henry Browne, Director of Public Prosecution. That is just to provide for his accommodation, a man from St. Kitts. No problem that he is from St. Kitts, Dr. Browne is a very good lawyer. But they were so disorganised, you know what was his salary after tax every month that he came here, if I tell you all, you all would say that the Comrade Ralph is lying, sorry the Prime Minister is lying. You would say the Prime Minister is lying. After tax \$22,000.00 per month. The basic salary of the Prime Minister after tax is just over \$6,000.00. That is what I take home, you know. They were paying Dr. Browne over four times the salary of the Prime Minister, to the Director of Public Prosecution, but that is not all, there is a Cabinet memorandum in my hand here, where the Attorney General is coming to the Cabinet to have additional monies to give Dr. Browne under the contract, because they have not paid Dr. Browne everything. They short paid him on his salary by \$13,620.00, we have to pay for it, and Dr. Browne has to be reimbursed \$5,511.88, for additional accommodation monies at Camelot Inn, that is where he was put up, and he wrote a letter 24<sup>th</sup> of May, I have it here saying he was not paid and he was so embarrassed that Camelot is asking him for the money; he had to deal with Camelot. Do the people of St. Vincent and the Grenadines understand what was happening under the NDP Government? Are you now beginning to get an idea? Sometime I wonder if the Leader of the Opposition when he was Prime Minister knew all what was happening around him. Sometimes I wonder.

The other items of large significance there Mr. Speaker, sums of nearly \$400,000.00, Items 17 and 18 to provide additional funds to pay contractors, Pro-care Professional Caterers Limited to supplying meals to the Mental Health Centre and these sums were provided in September, last year just six months before the elections, \$400,000.00 to provide food for Louis Punnett Home. Just in case they say that I lie let me read the figures exactly. \$242,615.00, for one lot and \$175,755.00 for another set.

Mr. Speaker, well you see the figure there of \$373,520.00 in the Capital Estimates, Item 4 to provide funds for the rehabilitation of the approach lighting system at JF Mitchell Airport in Bequia. There is an Item immediately before that where funds are provided for two special persons in relation to certain posts. I am not calling the names of the person. What we have to make sure is that we avoid having to deal with supplementary estimates in relation to scholarship monies, because when you do that very often it smacks that you trying to help out one of your own. We should have it in a more systematic orderly manner. I am not saying that is what happened. But that is what it appears. And I want the public to know that the NDP approved a special warrant of \$420,000.00 to buy furniture and to put in air condition units for the Methodist building for the relocation of the Ministry of Justice. Furniture and air-conditioning, \$420,000.00 but they could not buy a clock for the House of Assembly.

Mr. Speaker, in relation to Item 10 on the same capital estimate \$1.2 million, that is to access grant funds from the European Union STABEX for the completion of certain works. I want to say that very shortly a \$5 million project of European Union Funds and we have had to complete the project for the second phase of the Labour Intensive road programme.

Mr. Speaker, turning now to Capital Estimates 4 of 2001, formally numbered 9 of 2000. There is a figure there of \$68,940.00 to provide funds to supplement votes for the Agriculture Census 2001. Mr. Speaker I had heard the Leader of the Opposition saying words to the effect that he had to go, because this Government is so wicked, the ULP Government, that people did not even want to answer questions for the census. The population census which has been conducted since we got into Office, but it is normal for you to ask the Opposition to take part in censuses. We assisted with the agricultural census. Honourable Selmon Walters went on television and on radio as the spokesperson for agriculture to ask for the agricultural census to be assisted.

I have to comment Mr. Speaker, on Item No. 4, \$558,000.00 to provide funds for the construction and furnishing of the Prime Minister's residence. Well I want the citizens of this country to know I have never been to the Prime Minister's residence. The one which they have redone, the new one. Some people will not believe me. I have never been into it, but I have gotten a report on it. They left some furniture in a container without treating the furniture, termites destroyed all the furniture. They built a Prime Minister's residence without, I understand it is a big house, but they built it without a guardhouse for the security for the Prime Minister; without maid/helpers quarters and they built it without a library or a study. They have a three-bedroom house; they never envisage it would be a family dwelling. They thought it was a single man would have been living there all the time. And I am not putting this at the fate of the Leader of the Opposition because he is a family man. I do not know if they thought a Philistine was going to live in it, so you do not put a space for a library or a study. I have over ten

thousand books, I saw the newspaper say, I said \$10,000.00. I have over 10,000 volumes at my house. If you want to talk about dollar value, down at my former law office, and my law books are still down there, over \$100,000.00 worth of law books down there; plus up there several hundred thousand dollars worth of books, because it is over 10,000 up there at my house. I have a place where I built outside of my dwelling at Frenches where the police stay. If a shower of rain comes they can go and shelter. If one of them have a little tummy ache, they can go there if they want to use a bathroom. There is a bathroom facility there. My helper lives in my house with good accommodation. I have my study, my library, my study, why should I leave my house where I have all those facilities and go to a house which does not have those. I say when they fix it up for me, I will move up. But I have not spent one minute of my time dealing with house for the Prime Minister. Though it is in my interest to move up there; my financial interest, because I understand from the civil servants, they say Prime Minister you should put some effort into this thing; because you do not have to pay electricity if you are up there, you do not have to pay your telephone, you do not have to pay your water, gardener is provided free, helper is provided free, and those are good perks. Unfortunately, I am not going to enjoy those perks until they fix up the place properly. I understand it is a beautiful house, I am told, but I have never been there, and I would want the Honourable Members in the Opposition to go and look at it and tell me if they think that what I am saying is not reasonable.

Mr. Speaker, the final element there the recurrent estimates 4 of 2001, you notice \$176,700.00 were approved to provide funds to pay for remuneration of the advisory committee to review the salaries of Members of the House of Assembly. That is what the Venner Report costs. And of course it is that expenditure which paved the way for the demise of the NDP regime.

Mr. Speaker, you see the sum \$156,747,00. Item 8, for utilities, we are seeking in the ULP Government to cut out waste. We are asking that lights be turned off, we are trying to make telephone use restrictive, a new system is going to be devised. The Minister of Telecom is working on that. The current system which you have if you want to get into the PBX you have to wait so long. Sometimes, I understand I never seen them but I hear that people who worked there you pass there the telephone is ringing, they polishing their nails, they cutting their finger nails. They are talking to somebody else. Well that sort of thing is not going to continue with the ULP Government, but if you hear that whoever is there doing things like that, that there is a request for them to be transferred you will hear about victimization. But how can you operate a PBX and putting on cutex on your nails? Eh! You are raising up your foot and through your shoes you are fixing up your toenails, the phone ringing, you know, your toenail and your fingernail more important than Government business. You have to speak plainly about these things.

Mr. Speaker, with those comments I am asking for the sake of tidying up, because I wish I did not have to be in the position of coming to the House to ask the House to approve expenditure on some of these things. But I have to comply with terms of the Finance and Audit Act; therefore I expect, unless of course the Opposition wants to vote against their own expenditure. If they want to vote against their own expenditure we will abstain you know; put the whole thing in ole mass. And we will then go to the persons who actually did the expenditures, because Parliament did not approve them and those who signed on, for instance the Minister of Finance who has to sign the special warrants, he would be responsible for all of these. I do not think he will want to do that. I think he will want to approve. I would keep my mouth quiet about it so I will hear the ayes over there who have it. This is the peculiar position in which I find myself with presenting these estimates. I am obliged, Mr. Speaker.

**HONOURABLE ARNHIM EUSTACE:** Mr. Speaker, Honourable Members, I assumed Mr. Speaker, that that is the last time in this Parliament that the Prime Minister would have the opportunity to speak on supplementary estimates that are not his own. Because the next sets of supplementary estimates will come from him. And I can understand his concerns since these expenditures did not take place under his watch. I heard him say Mr. Speaker, that he would be working to minimize, because you cannot get rid of, he would be working to minimize the amount of supplementary estimates that come to this House. And that is a laudable objective; I have no problem with it. Like him I would have liked to have no supplementary estimates. But Mr. Speaker, the reality of Government finances which he will learn. The reality of Government finances and the way estimates are prepared and the way things change from day to day, I know that he would be bringing many supplementary estimates to this Honourable House. I have no doubt about that in my mind at all. And at that time he would not have to be worried about presenting estimates on anybody else's behalf, he would be presenting his own. And we Mr. Speaker, would have the opportunity to make some of the same types of statements that he has been making here this afternoon. [Interjection] I am in a good mood this afternoon, so it is all right. It is not together now, today is Friday. And I am saying thank God it is Friday. [Interjection] That is all right.

Mr. Speaker, as the Prime Minister well knows and he will know much more about it in the next few months, the process of preparing estimates for the budget of St. Vincent and the Grenadines, it is a six months exercise, and he will be going through that exercise starting next month, he may have to start already because he wants to bring the budget a little earlier, he says, so the process will start in June, this month. That confirms what I am saying, the budget call is already out. I want to assure the Honourable Prime Minister that I would be just as sympathetic as him, as he has been to us in that process when the time comes. Just as sympathetic because I know what the process is. We have very good officials in the Ministry of Finance and he has confirmed that, so while he often complains of what we left him he has admitted that in the case of the Ministry of Finance we left him competent, people. And those same

competent people, Mr. Speaker, and I agree that they are competent those same competent people are the ones who will assist him in the preparation of the estimates of expenditure for the next budget. And I will bet him at the end of the first year he will have as many supplementary estimate as we have here today, if not more. Because Mr. Speaker, times are changing even faster today than they were a few years ago. And as one seeks to deal with the vagaries of the international economic climate we will find as we prepare estimates, more and more you will find that you have to make changes as you go along. I have pointed out in this House, Mr. Speaker, on several occasions that a number of these supplementary estimates, a number of the items only arise because one has to bring to account funds which were provided by the donor community. Since you do not have the funds in advance, you have to have a supplementary appropriation to bring them to account and they make it appear as if they were bad budgeting. But that is the reality of the system that we have. And sometimes while the numbers of such are small, in terms of the number of such, the amounts are large. The amounts are large.

But Mr. Speaker, while all that is being said, in none of these years that we have been discussing did we have a situation in which there was not a surplus on the current account of the Government accounts. In none of the years of the administration of the New Democratic Party that we did not have this surplus on the current account. I know that is something that has been scouffed at in this House over the years Mr. Speaker, but I also know that the Honourable Prime Minister will have to follow the same policy. Because these very STABEX funds that he speaks about drawing down, there was an overacting agreement signed with the European Union which requires St. Vincent and the Grenadines to have a certain level of public sector savings as a condition of the utilization of STABEX funds. And that figure now, Mr. Speaker, is about 9% of gross domestic product. About 9% of gross domestic product, one has to have in public sector savings, it has been increasing by  $\frac{1}{2}$  of a percentage a year. So we have to operate within an environment in which there must be current savings on our budget, otherwise we endanger the opportunities for drawing down funds from the European Union and others. And I want to remind the Honourable Prime Minister because I am sure he is aware of it, I want to remind him that that is in fact the case.

Mr. Speaker, the last time we had estimates before this House, I do not have my copy here, I think it exceeded some 470 pages of figures. I do not expect it to be significantly different in the next budget that comes before this Honourable House because of the number of items that one has to deal with. You see our estimates are very, very detailed, although there are programmes there are still large numbers of line items in our budget, large numbers and that accounts for the very hefty document that we come to this House with. And the larger it is Mr. Speaker, the more likely we are to have supplementary because after all there are estimates. People are making assumptions in all the various Ministries as to what in fact they want to do and what they think it will costs. We are dealing with human beings who are making projections

and predictions and in that environment Mr. Speaker, you are going to find that we are going to have constant changes.

Sometimes, you may be correct, right on the nose, other times you will be short, because one has also to deal with changing cost. So today in the year of Our Lord 2001 we predict the cost of a building to be 'X' and by the time we get to the completion of that building so many items have changed in cost that it make sometimes your estimates look like nonsense. But a lot of these factors you cannot predict, you build in a contingency of 10%, you make some assumptions in terms of inflation, and I am sure that the Honourable Prime Minister will be doing that exercise, but you cannot always predict inflation, because a lot of what we use come from outside, we are a very open economy, and the matters come from outside our country, prices of which we have no control. And when one thinks of all those things one must come to the realization Mr. Speaker, that when we are addressing matters of the budget, matters of estimates there is a very serious intent on the part of all the public officers who have to deal with it, but they are all just, after all human beings.

Mr. Speaker, I want to just refer to a few of the issues which the Prime Minister raised in his presentation, and a few of the question that he raised. For instance he asked the question as to whether it was worth a hundred and twenty-five thousand dollars to St. Vincent and the Grenadines to bring President Jamay here, he may have his views about that, others may have a different view. I think it is very important, Mr. Speaker, that we in this part of the world forge links with Africa. After all there is where a lot of us hail from, and in this world Mr. Speaker, where efforts of South-South Cooperatives are becoming even more important, it is important that we forge those kinds of links. You mentioned that the regime is one that is repressive and therefore one should not have by implication relations, that is by implications [Interjection] Well, what is the purpose of mentioning it.

Mr. Speaker, one has to remember the genesis of the relationship between President Jamay and the Government of St. Vincent and the Grenadines. Because it was at Commonwealth Conference that our former Prime Minister Sir James Mitchell was asked to try to assist in bring that country to elections, to holding general elections. In other words, the Commonwealth recognized that the regime was not operating within a democratic framework, but rather than throwing him out of the commonwealth, Mr. Speaker, it was urged on others to see whether you can bring them into the fold and thereby get them on a more democratic path. And to a great degree Mr. Speaker, there has been some success in that area, and in that context Mr. Speaker, I think one needs to see the visit of President Jamay not only because he comes from Africa, land of our forebears but more so because our leader of our country at that time was given an assignment by the Commonwealth to go to the Gambia and encourage those who had executed a coup and try to get them to hold a general election which they did, and we must play a continuing role in continuing to encourage those countries to follow that

path which we ourselves follow. So I have no problem Mr. Speaker with spending \$125,000.00 on the visit of President Jamay to St. Vincent and the Grenadines.

He raised the question of the insignia for the National Honours, and the cost of course was very high. He raised the issue that they were tarnished. And I want to say that Sphinx is known world wide as the most reputable company, established since the 1830's or '40's in dealing with this issue of National Honours. There were other companies that were canvassed but none of them had the reputation of Sphinx and while I was unaware of the tarnishing because I have never seen them, I know that the decision to use Sphinx was a good one.

Mr. Speaker, the Prime Minister mentioned the case of some of the public servants of whom the government had to pay money after their cases were dismissed and he mentioned the figure of \$174,000.00 that had to be paid to one individual, what the Prime Minister did not say, although it is right there in the document, that was the civil servant salary for several years, from 1993 to 1999. So it took that long before the issue was resolved.

**HONOURABLE MR. SPEAKER:** I think you are incorrect Honourable Member, he did say it was the civil servant salary.

**HONOURABLE ARNHIM EUSTACE:** Yes, what I am saying, but no mention of the length of time, you get this figure of a large sum of money paid out but there must be a time frame. There must be a reference. A frame of reference in this one, so you can understand the figure. [Interjection] It does not change the price of eggs.

Mr. Speaker I do not think the Prime Minister was criticizing having a CARICOM Conference here, I think he simply pointed to the cost of having it. I want to say this Mr. Speaker, I worked at the Caribbean Development Bank for 17 years, between the years 1977 and years 1993, and the annual meetings of that bank, and I had the misfortune at one time to be the Bank's Assistant Bank Secretary, the annual meetings of that institution, Mr. Speaker, went in alphabetical order and I was always embarrassed year after year when it came to the time for St. Vincent's turn, we always have to defer to somebody else, both St. Vincent and Monsterrat. A similar thing happened for CARICOM, year after year this country always has to be left out because we did not have the necessary accommodation. And perhaps I am a little bit more sensitive because I worked in a regional framework; you see yourself having time after time to give way to another country. Some countries had the bank meeting, three times and four times and we could not have it because we did not have the accommodation, and when we did have the numbers in terms of accommodation it was too spread out between the Grenadines and the mainland to be meaningful. So that when the Canouan project came into being and the opportunity arose Mr. Speaker, the Government took the decision that it was time for St. Vincent and the Grenadines to

host the CARICOM Heads of Government Conference. And while one Mr. Speaker, can look at the cost of holding the conference which had some 300 or more persons, certainly there would have been some benefits to the economy of St. Vincent and the Grenadines which one would have to net off against the cost incurred by the Government in hosting that conference. Indeed a lot of people because of the nature of the resort found the cost higher than in other countries but I think a number of the countries recognized that St. Vincent had not had the opportunity to host the Heads of Government Conference of CARICOM.

Mr. Speaker, the Prime Minister mentioned the issue of Dr. Browne performing here in the Legal Department and he raised the issue of his salary and he made reference Mr. Speaker, to the salary of the Prime Minister by comparison. Indeed Mr. Speaker, one does not have to go out of St. Vincent to find salaries in the public service which are higher than the Prime Minister, there are salaries significantly higher than the Prime Minister right here in the Public Service of St. Vincent and the Grenadines. I do not want to pinpoint any particular public officer but there are persons, more than one, with salaries higher than the Prime Minister right in the public service. So when we asked Dr. Browne who has a private practice in St. Kitts to leave his office, his private practice and come here to St. Vincent and the Grenadines one would expect that you will have to pay him more than the normal salary. And this came at a time, Mr. Speaker, when someone who was in that position virtually absconded from this country, and we were left just before the opening of the Assizes with no one to carry out that function and I am sure, Mr. Speaker, if one were to asked the then Leader of the Opposition to give up his practice he would have done it, but I do not know who would have cost more, whether him or Dr. Browne. [Interjection] Well that was then the Prime Minister's salary. So Mr. Speaker, while these statements were being made there is a background to them. There is a background to them! This gentleman as I understand it has a very lucrative private practice. This happened two and half weeks before the Assizes opened, and therefore was a very serious matter indeed and one had to have a competent individual, at very short notice in order to deal with this matter.

Mr. Speaker, the Prime Minister was careful in his reference to the scholarships, and I understand his reason for being careful. He said it looked to him like if – it could have looked, because he did not say it looks so, it could leave one with the impression that he was trying to fix up some one else. But this is a case again of bring funds to account. These funds were prepared by the Kuwaiti Fund and for a long time they were not drawn down. So there was no magic, Mr. Speaker, or mystery behind a lot of these figures. You know, I understand that we have broadcast to the public. I understand that from time to time statements will be made in this House which are really designed for the listeners outside, but I am saying to the public of St. Vincent and the Grenadines that there is a background to all these figures and what has been attempted to do here Mr. Speaker, is to give you some idea of the background, so that

there is no real mystery. [Interjection]. You want to hear about the Prime Minister's residence, well as the Deputy Prime Minister I would think you would know about the Prime Minister Residence. But like the Prime Minister himself, I have never seen the building, I have never gone there, I do not know whether the cost of the building, matches. He said it is a beautiful building but it has defects. I have never been there, and he mentioned the lost of perks, well that goes with the territory from time to time, but the reality Mr. Speaker, is that while individuals may have their particular taste, this country needs to have a proper Prime Minister's residence. [Applause]. And I really do not have much more to say about that. I had no intension as Prime Minister of moving from my own home, that is all I can say about that. No intension at anytime. I am quiet comfortable where I am.

Mr. Speaker, the Prime Minister of course had to make some references to victimization and so forth, and said if he transferred the people at the PBX somebody will come around and say it is victimization. I just want to tell the Prime Minister and to say very clearly that I know that there has been victimization in the public service. I have nobody on my list of names who belong to the civil service, because I gave no regard to the changing of Mr. Browne, or Mrs. Browne as being political victimization, but there are a lot of people in this country who have lost their jobs recently for political reasons and that is the reality. It is a reality. I just want to make it clear that while I understand that you on that side of the House have to project your own position we do have ours. We know that there has been political victimization and we will continue to speak about political victimisation, even in the context in which the Prime Minister says I was lynched. Well even having been lynched I will continue to speak about political victimization. [Interjection] I did not say hanged, either, I said lynched.

So, Mr. Speaker, of course I regard that as part of the cut and thrust of politics, if Mr. Lynch made any statement which I and the party regard unsuitable, Mr. Lynch will hear from me and when he has done so he has heard from me, and that is all I wish to say on that matter, Mr. Speaker. But I want to say to the Honourable Prime Minister, I want to remind him, Mr. Speaker that we will show him the same courtesies that he showed to us in relation to the supplementary estimates when they become his own. I can give him a firm guarantee on that. Because we, having experienced it, we will understand what his problem is. I can assure him that we will give him the same courtesies that he has extended to us over the years. Very same courtesies, no more, no less, Mr. Speaker; Because in a sense of the rapid change; he has come on at a time when it has become even more difficult internationally; and a lot of the things we think of are right today or suitable today will not be so six months from now or a year from now. And one as a government will have to make changes; will have to do supplementary, will have to change policies, will have to look at things in quite different ways and many ways, Mr. Speaker, that is the reality of the world in which we now live, Mr. Speaker, and I am sure that he, as the Prime Minister, as he grapples daily with the vagaries that affect our economy, I am quite sure that he has that concern. It is not easy Mr.

Speaker, to sit in the chair of a Prime Minister, it is much easier Mr. Speaker, to sit in the chair of the leader of the Opposition because one is allowed to run off your mouth, because accountability, is another matter; when you are Prime Minister while you can get involved in the cut and thrust of politics Mr. Speaker, when you get back to that desk you have to deal with reality; irregardless of the politics. So when I asked the Honourable Minister of Agriculture the questions about bananas he ducked it, and I expected him to duck it, in this Parliament but I know Mr. Speaker, that he will face the reality not long from now. [Interjection] The answer is not mine to give, you are the Minister of Agriculture.

I know Mr. Speaker, that he will face the reality. He will face the reality in a short period of time and the reality is not of his making, Mr. Speaker, it is not of the Prime Minister's making. The circumstances which determine what happens to us today, is not a function of the internal economy. It is a function essentially of the external economy, and the external environment. You have lived in a region of protection, Mr. Speaker, for 54 years in the banana industry in this region, we have all been protected by the British Government and others; today, Mr. Speaker, as is happening all over the world that protection is being removed, and come the year 1<sup>st</sup> January 2006, Mr. Speaker, when we go to a tariff only system, Mr. Speaker, when we get to that we are out there in the cold, unless we continue serious work and we are going to have a much smaller banana industry, in terms of numbers of people. You know that is a reality. What I will say to you, is that if you did not have the same WIBDECO that you criticise all the time, you would not have any licenses today, to export any bananas. You would not have had that. And if you did not have the joint venture you would not have had the licenses for a non-dollar fruit. Those decisions were made under the watch of the New Democratic Party. Today without them we would not have been in bananas. Because the regime we have to face, Mr. Speaker, requires that you export one pound of banana we have to have licenses. And WIBDECO, Belize is now asking to join WIBDECO for the simply reason that under the new regime they will not have licenses. No, they will not have licenses, under the new regime, that is why they now wish to join WIBDECO. The Prime Minister could tell you that, he knows. He knows because they depended on FYFS. Well FYFS now has to deal with the dollar fruit. [Interjection] Well, I did not say it, he said it.

So Belize is now coming to the Windward Islands and saying I do no have access to licenses, therefore I am coming to you to get some licenses. And we have licenses. I want to repeat it, we have licenses because we set up WIBDECO and WIBDECO UK and that is why we had all this argument about the reference period for bananas. Because if you throw away the reference period prior to WIBDECO we would not have any licenses to export Windward Island bananas.

Those are the realities, Mr. Speaker, and when you condemn everything the NDP did, let me remind you that those are some of the decisions we took and implemented,

which today, allows us the opportunity to still continue in that industry. Those are facts, Mr. Speaker, Belize a few years ago was fighting to replace us, to get a big quota of more bananas than we export, because you know they have the land and they were moving very fast because their cost more approximate those of Latin America where bananas are cheaper than ours but they did not take the necessary institutional steps as we did; which allows us now to have licenses and adequate licenses for all the fruits we produce in the Windward Islands. That was done under the NDP. The same useless N.D.P that you speak about every meeting in this House, it was done then Mr. Speaker, and I know the Honourable Minister he is laughing, he knows I am speaking the truth; but I know with all the Frankincense talk he gave a few days ago we will see who will end up to be Frankincense. Because you Mr. Minister will have to take the decision.

Mr. Speaker, I just want to say that I do not envy any county in this region that has the task now of preparing a budget. I have known Mr. Speakers the difficulties. I know the Prime Minister is going to have many sleepless nights, before this budget exercise is completed. Because every time he thinks he has fixed something somewhere, something else pops up outside of your control and you constantly have to make adjustments. And I can sympathize with that. I have felt it. I have lived it. I know what it means and all I am saying Mr. Speaker, that when we come to these decisions, it is all well to highlight various things and so on. Fundamental reality is that we still have to carry out the exercise. There will still be supplementary. And whatever talk we have in this Parliament the Prime Minister in his capacity as Minister of Finance will have his hands full, really full, even the environment in which we have to operate.

Mr. Speaker, when the supplementary is put to the vote I will say aye.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, it does appear that we all want to get home at 5:00 p.m. or shortly thereafter, because we have to facilitate a number of things this evening, including Sabbath.

**HONOURABLE MR. SPEAKER:** And you did not invoke 12 (5).

**DR. THE HONOURABLE RALPH GONSALVES:** And we did not invoke 12 (5). Mr. Speaker, if I may just say this on the motion in respect to the estimates, that on another occasion we will have a fulsome debate on bananas which we need to have. The little skirmishes which we have had here today are insufficient, really to deal with the matter, but I just want to say this Mr. Speaker, and I think I need to say this in the House. We have had a number of talented professionals in the area of the banana industry but there has developed unfortunately a sense in some of these professionals, in the regional organisations including WIBDECO and at CARICOM that they are a government unto themselves. WIBDECO sees itself as a fifth Windward Island. Well that has to be sorted out in the last meeting which we had in St. Lucia, which I chaired

in my capacity as spokesperson both in the OECS and CARICOM for bananas, I had occasion yesterday to speak firmly to someone from CARICOM. A meeting was scheduled on Sunday in Jamaica for a banana working group meeting to discuss some of the same issues which were raised here today, the Belize question. Question in relation to Article 13 Waiver. Next week in Brussels there is discussion on certain views of Ecuador in relation to the nature and structure of Article 13 Waiver and so on and so forth. And without reference to the governments, the technical people at the Centre seemed to change the date from Sunday to this afternoon, and they informed me about that yesterday, of course I was not going to a technical meeting.

Fortunately for us the person whom we have sent there, someone from the banana action committee, Mr. Ashley Caine was prepared at very short notice to change his plans and get there to be in Montego Bay this afternoon to take part in that meeting. We are having a meeting on Monday 2<sup>nd</sup>, I understand from the Minister of State that the meeting has been changed to the 3<sup>rd</sup> in St. Lucia between representatives of the Banana Action Committee, the Banana Growers Association other groups of farmers in the Windward Islands and WIBDECO. You notice how we are doing it, the heads met with WIBDECO, the farmers are now meeting with WIBDECO. So hitherto there have been two meetings which I chaired involving everybody, including the donor group and finally we are hoping that by the 13<sup>th</sup> of this month that we will have a meeting here in St. Vincent and the Grenadines to finalize the discussion on the restructuring of the banana industry and to move forward, we are not wasting anytime on this issue and that is why I am personally spending, putting a lot of effort in this question and to be properly briefed and to read the documents to get a better understanding and greater understanding of the issues which are involved, because I know restructuring the banana industry is critical to the management of the transition, between now and the year 2006.

And it is for that reason that I have involved the banana farmers in this banana advisory committee. In fact in the other islands they are talking about the St. Vincent model by referring to the way in which we are involving the farmers. And every document which comes to me, I have it photocopied and sent to farmers representatives because I want them to know what is happening. I am not hiding anything from them.

Mr. Speaker, I just want to assure my friend the Leader of the Opposition that I have not had any sleepless nights yet, and given my sunny personality, I do not think that I am going to have any sleepless nights. When I put my head on the pillow, my wife by the time she start to talk to me, I gone sleep. That is how, -- once I go to bed, it is for sleep and sleep. And I cannot watch television in bed. You know, I am accustomed to work very late hours. If that is what the Leader of the Opposition means by sleepless nights, I work very late hours. But I sleep very easily.

Mr. Speaker, I like as I wind up the debate on the motion to ask that the question be put for the approval of the estimates.

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

*Question put and agreed to.*

**SUPPLEMENTARY APPROPRIATION BILL 2001**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, in the same manner in which we did the Estimates in an omnibus way, we can do the bills in the same way and since the debate has been extensive between the Leader of the Opposition and myself, I would simply like to move the first reading of the four of them if I could do them at one time.

I accordingly move Mr. Speaker, for the first reading of a Bill for an Act to sanction payments made from the Consolidated Fund upon certain services in excess of Appropriation Act relating to the year ending on the 31<sup>st</sup> of December 1998 be read a first time.

Mr. Speaker, I move the first reading of a Bill for an Act to sanction payments made from the Consolidated Fund upon certain services in excess of the Appropriation Act relating to the year ending on 31<sup>st</sup> December 1999.

I move the first reading of a Bill for an Act to sanction payments made from the Consolidated Fund upon certain services in excess of the Appropriation Act relating to the year ending on 31<sup>st</sup> December 2000.

And a Bill for an Act to sanction payments made from the Consolidated Fund upon certain services in excess of the Appropriation Act relating to the year ending on 31<sup>st</sup> day of December 2001. Namely the supplementary Appropriation Act and then 2, 3 and 4.

**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 pursuant to Standing Order 48 (2) I move that these four Appropriation Bills be taken through all the stages at this sitting.

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

*Question put and agreed to.*

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, I move the second reading of the four bills aforementioned, Supplementary Appropriation Bill and then Supplementary Appropriation Bills 2, 3, and 4, to have them read a second time.

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

*Question put and agreed.  
Bills read a second time.*

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, the debate on these Bills in fact from our standpoint relates to the contribution which we made on the estimates, procedurally we have to present them in the way in which we are going, in accordance with the Constitution.

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

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, I move that this House resolves itself into a committee of the whole House to consider each of these Bills clause by clause.

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

*Question put and agreed to.*

*House went into Committee.*

*House resumed.*

*Bills reported, read a third time by title and passed.*

## **ADJOURNMENT**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, we have just made our deadline just a few minutes after 5:00 p.m. I like to move the adjournment for the 19<sup>th</sup> of July, at 10:00 a.m. On that occasion Mr. Speaker, though there would be several items on the order paper some from today clearly, and the others will be put on, but the principal order of business on that day would be the Supplementary Estimates and Supplementary Appropriation Bill which they are not in the form where we have had special warrants, which is one way in which you can bring Supplementary Appropriation Bill to approve special warrants; the way we are coming is as if we were

coming in the normal budgetary time, but there are some priorities which we want to address, and rather than address them by way of special warrants we want to do them up front for the remainder of the year and those will be in addition to what has already been approved in the estimates of expenditure for 2001 which was done in December of last year and also the appropriation bill from last year.

So I move therefore, Mr. Speaker, that this House do stand adjourned until the 19<sup>th</sup> of July, at 7:00 a.m. and as I do so wish all the members a wonderful and happy Carnival, very healthy and to all the citizens a crime free Carnival and for us to be very healthy in the process.

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

*Question put and agreed to.  
The House adjourned accordingly at 5:05 p.m.*