

No. 8

Thursday

Fourth Session

13th August, 2009

Eighth Parliament

SAINT VINCENT AND THE GRENADINES

THE

PARLIAMENTARY DEBATES

(HANSARD)

ADVANCE COPY

OFFICIAL REPORT

CONTENTS

Thursday 13th August 2009

Prayers	6
Obituaries	6
Congratulatory Remarks	8
Announcements by the Speaker	11
Minutes	11
Statement by Ministers	14
Reports from Select Committee	26
Papers	27
Questions for Oral Answers	27
Motion	48
Orders of the Day	48
Bills	86

Resolutions	91
Adjournment	93

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

**PROCEEDINGS AND DEBATES OF THE EIGHT MEETING, FOURTH SESSION OF THE
EIGHTH PARLIAMENT OF SAINT VINCENT AND THE GRENADINES CONSTITUTED AS SET
OUT IN SCHEDULE 2 TO THE SAINT VINCENT AND THE GRENADINES ORDER, 1979.**

THIRTEENTH SITTING

13th August, 2009

HOUSE OF ASSEMBLY

The Honourable House of Assembly met at 10:15 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,
Economic Planning, National Security,
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 Mobilisation,
Social Development, Gender Affairs,
Non-Governmental Organisations,
Local Government, Persons with Disabilities,
Youths and Sports
Honourable Michael Browne

Member for West St. George

Minister of Education
Honourable Girlyn Miguel

Member for Marriacqua

Minister of Rural Transformation, Information,
Postal Service and Ecclesiastical Affairs
Honourable Selmon Walter

Member for Central South Windward

Minister of Health and the Environment
Dr. Douglas Slater

Member for South Leeward

Minister of Urban Development, Culture,
Labour and Electoral Matters
Rene Baptiste

Member for West Kingstown

Minister of Transport and Works
Honourable Clayton Burgin

Member for East St. George

Minister of Agriculture
Forestry and Fisheries
Honourable Montgomery Daniel

Member for North Windward

Minister of Housing, Informal Human,
Settlements, Physical Planning, Lands
and Survey and Local Government
Honourable Julian Francis

Government Senator

Minister of the State in the Prime Minister's
Office with Responsibility for the Public Service
Honourable Conrad Sayers

Member for Central Kingstown

Minister of State, Ministry of Agriculture,
Forestry and Fisheries, Parliamentary Secretary
Honourable Saboto Caesar

Government Senator

Honourable Rochelle Forde

Government Senator/ Deputy Speaker

OTHER MEMBERS OF THE HOUSE

Honourable Arnhim Eustace

Leader of the Opposition
Member for East Kingstown

Dr. the Honourable Godwin Friday

Member for Northern Grenadines

Honourable Major St. Claire Leacock

Opposition Senator

Honourable Daniel Cummings

Opposition Senator

Honourable Terrence Ollivierre

Member for Southern Grenadines

ABSENT

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

Member for North Leeward

Minister of Tourism
Honourable Glen Beache

Member for South Windward

Honourable Richard Williams

Government Senator

SAINT VINCENT AND THE GRENADINES

HOUSE OF ASSEMBLY

THURSDAY 13TH AUGUST, 2009

PRAYERS

Honourable Mr. Hendrick Alexander, Speaker of the House of Assembly read the prayers of the House.

OBITUARIES

HONOURABLE MR. SPEAKER: Honourable Member for Marriaqua, Minister for Education.

HONOURABLE GIRLYN MIGUEL: Mr. Speaker, Honourable Members, I rise to express sincerest condolences to the Crick family of Cane End on the passing of our Bro. Edgerton Crick. Speaking to his wife she had these words to say, *'he was a good husband, a good father.'* The children expressed that he was stern disciplinarian, but kind.

In the community he was an excellent farmer. For me he was Bro. Crick because we were brothers in cooperation in the credit Union movement. I recall many of late night we sat around the table in the board room and we strategize as to how we could have helped to give homes to the homeless, land to the landless, but more so to spread the gospel of credit unionism in Marriaqua. In the church he was a people's warden, but during the last ten years of his life, Mr. Speaker, he took ill with a stroke and I had the opportunity to go to his bedside and encourage him and like the hymn writer would have written, I was able to sum up what he said in these words. Whatever my lot, thou has thought to me to know, it is well with my soul.

We have lost an excellent resident of Marriaqua but our souls are not daunted, today I pray that he would find eternal rest. I am obliged, Mr. Speaker.

HONOURABLE MR. SPEAKER: Honourable Senator Leacock.

HONOURABLE ST. CLAIR LEACOCK: Thank you, very much, Mr. Speaker. Mr. Speaker, on behalf of all of us on this side of this House I rise to join with the Honourable Member for Marriaqua to express our condolence on the passing of Bro. Edgerton Crick.

Mr. Speaker, when you get to this stage of life, when you count your years by zero, or your next zero, you are constantly adjusting who is old and who is not old because you apply a different yardstick and measure of wisdom. We fully concurred with the sentiment expressed by the Honourable Member that Bro. Crick is certainly is one who played a very key role in his community of Marriaqua and at the funeral it was expressed in even stronger language what it means to be a person out of Marriaqua. He eats, sleeps and think things Marriaqua, I did not have the pleasure of the Honourable Member to know him in that personal way but as I

have said before on other occasions, sometimes, by the fruit you can know them, and I certainly know some of the sons and daughters who are fine examples in St. Vincent and the Grenadines.

You would excuse me if I single out in particular Jerry Crick because I had long association with him when he was a member of the football team in the early '70's and the '80's as well, a second bite of the apple. And then he joined me at VINLEC as Personal Officer when I Human Resource Officer, we had a long period of stewardship, and when I was Chairman of the Employers Federation he then followed on to become the Chief Executive Officer there. And I among others played a part in his role where he is in Guyana now, I think, at one of the regional institutions. And I know others have been exemplary whether it be in music, income tax in the Public Service, many spheres of life, they have all played their role complementing the fine example that had been laid for them.

The funeral service of Mr. Crick and his own contributions, Mr. Speaker, really reminds us of the great spread we have in St. Vincent and the Grenadines, with respect to national development. It is easy for some perhaps to think at times that the contributions are located or concentrated in a particular locale, but that is not the case at all. As we go across the length and breadth of St. Vincent and the Grenadines, and I regret that it is only at funeral sometimes this becomes so manifest, we are realizing how much, where we are in St. Vincent and the Grenadines, we are really standing on the shoulders of those who have paved the way for us. Pretty much as it has happened here Mr. Speaker, in the world of politics as well where we are but building blocks. So Mr. Speaker, this morning on behalf of us on this side of the House, we express condolence to the family, we know that they are Christian base and to borrow from my Honourable Leader, weeping Mr. Speaker, may endure for the night but joy, real joy, I am trying to say it like him, real joy comes in the morning. Much obliged, Mr. Speaker, Honourable Members.

HONOURABLE MR. SPEAKER: Honourable Member for Northern Grenadines.

DR. THE HONOURABLE RALPH GONSALVES: I believe it is proper, for the Honourable Senator Leacock who just spoke not to ascribe the words of the Bible to the Honourable Leader of the Opposition, he said to quote, those are words from the Bible which the Honourable Leader and many of us have adopted. I just want to make that point, we must render to Caesar the things that are Caesar, and unto God the things that are God's.

HONOURABLE MR. SPEAKER: Honourable Member for Northern Grenadines.

DR. THE HONOURABLE GODWIN FRIDAY: Thank you, Mr. Speaker. Mr. Speaker, I rise to acknowledge in this Honourable House the passing of my friend and cousin, Adonis Mitchell, who died on July, 15th quietly at his home and hoped that after suffering for several years from terrible illness which he bore with great dignity and courage. Adonis Mitchell whom many of us would know as Mitch simply, was major businessman in the Bequia community. I am sure that many members of this House would have eaten at his restaurant, 'Di Bistro' in the Harbour and shopped at his store The Select Food Store, and investments in the other businesses in Bequia, he was a relative young man at age 53 and someone who really by his hard work and skill in business, developed himself and his family to be quite successful in what he did. It is a great lost to the community because his energy and his ability in his entrepreneurship is something that was very valuable in the community as a whole, his generosity as well; many things that he supported that persons were not aware of would be greatly missed. Members of his family would take comfort in knowing that he has passed away from

suffering and is in a better place and from the attendance at his funeral service it shows as well that members in the community expressed their support and condolences to the family. Thank you, Mr. Speaker, may he rests in peace.

HONOURABLE MR. SPEAKER: Honourable Prime Minister, and Member for North Central Windward.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, I would like to join all those who have expressed condolences to the Crick family and the Mitchell family. I was at the funeral of Mr. Crick, so were many other members of this Honourable House and of course one of his sons Elson works at the Office of the Prime Minister as a Communications Director. So my own expressions of sympathy have been there already in relation to Mr. Crick.

I want to really on behalf of this side of the House, on behalf of my family and my own behalf express very sincere condolences to the family of Mitch, I knew Adonis quite well. I enjoyed his company very much; he was a wonderful human being. And I knew he was suffering with his illness and it is a sad thing that someone so young should leave us, but we do not understand all the mysteries of life. Bequia and St. Vincent and the Grenadines would miss a very loveable character, lively, generous, warm spirited, a patriot, a splendid businessman. He was not a supporter of our party, but in our relations with each other we saw each other as human beings. We enjoyed each other's company, and from the days, when I was in the Opposition, and I go to Bequia for cases, he would say, 'Man Ralph, come along have something here to eat, a drink, I really would miss Mitch. I am obliged.

HONOURABLE MR. SPEAKER: Thank you, that is it.

CONGRATULATORY REMARKS

HONOURABLE MR. SPEAKER: Mr. Speaker, we have over the years have been congratulating loads of persons who deserve to be congratulated and very often we miss out on our own because we do not want to appear to be self congratulatory but I think the achievement of Saboto Caesar in successfully completing his Masters Degree in Law LLM, specializing in banking and finance law from the University of London, the news which arrived this week, I think it is an achievement which deserves our congratulations.

Senator Caesar began his masters' degree in 2007 by distance learning, whilst employed at the Ministry of Legal Affairs a Crown Counsel in the Chambers of the Attorney General and of course, continued while he was Parliamentary Secretary in the Ministry of Housing, and lands and to complete your masters in banking and finance law which required study in some difficult areas, international economic law, investment law, trade law and corporate finance law, by distance, while holding down a full time job, over a two year period it is a fantastic achievement, anyway you spin it. I am not surprised because I know he has been blessed by Almighty God with a fine intellect. He is very disciplined and he has shown it in these circumstances. As we know he is a former National Scholar.

And I would just tell the story, Mr. Speaker, for what it is worth, do you know Senator Caesar is such a humble person, a lot of people do not know this, after he had completed his A' levels, he wanted to make some money for his family, because there were other children, he knew he did well but he was not sure whether he was going

to get a National Scholarship, the results had not come out yet, he went down to Moses and made a down payment to go an work on the cruise ship and it is when he was in that process the news came that he had got a national scholarship he went back to Moses and tell them to give somebody else his place.

So, I really it is a proud moment for all of us. He is also a good example for those, who should be doing distance learning, making use of the technology, particularly there are a number of persons who want to do management studies and some IT programme and so forth, many of them are available on line and some of them are offered through the University of the West Indies, others through other universities and I would advise that the follow those kinds of options. I have no doubt that his intention to do further post graduate work to the doctoral level, that intention would be realized, even while he is working, because he is simply a disciplined and bright and blessed young man. I think with persons like Senator Caesar and many of the other bright and accomplished and disciplined young people, I think our future is assured and this is what the education revolution is all about. The Honourable Deputy Prime Minister has now put the issue of matrimonial bliss ahead of the doctorate but I am not going to get into that. I am obliged, Mr. Speaker.

HONOURABLE MR. SPEAKER: Honourable Member for West Kingstown, Minister of Culture.

Mr. Speaker, Honourable Members, I too would like to join in congratulating young Senator Saboto Caesar on his recent academic achievements and for someone not yet 30 years old, when he was three years old was when I was, no he was not even born yet when I was called to the Bar. I have been at the Bar now 33 years, so he was not born yet so I can call him young Caesar. [Interjection] I must look well, I live in the Lord.

Mr. Speaker, Honourable Members, I rise to congratulate the Carnival Development Corporation on another successful festival and winners in this particular culture and the arts. The hat trick winner Atiba Lockhart for King of Bands, young Hans John hat trick winner for Junior Soca Monarch for the Beaver Trick KFC, SVG Players International, Joyce for bouncing back as the National Monarch and Skinny Fabulous as the Soca Monarch, Maddzart as the Ragga Soca Monarch and NLA Sion Hill Euphonium Steel Orchestra as the overall winners of Panorama since they took both titles Junior and Senior Pan, as well as Club Nuevo for successful festival once again and I take this opportunity to thank them for giving that little accolade which I was unable to be in Canouan to accept and want to pledge my continued support for their efforts in Canouan. Congratulations to all the winners in this year's Vincy Mass. Much obliged.

HONOURABLE MR. SPEAKER: Honourable Member for West St. George.

HONOURABLE MICHAEL BROWNE: Thank you, Mr. Speaker, I wish to offer congratulations in the field of sports under four headings, Mr. Speaker; firstly in the national cricket league I wish to congratulate OAL Ratcliff and Spartons Cricket Club for jointly capturing the premiere division and also the Police for winning the first division in cricket, congratulations.

I wish to offer congratulations to the Chairman and board of the National Sport Council for the excellent conditions that they produced at the Arnos Vale Sporting Complex for the hosting of the first Digicel test match between Bangladesh and the West Indies and also the Cricket Association for the work they done in relation to that. I know that they are not happy with the outcome but really the conditions were spectacular and we got a lot of commendations and kudos from the oversees reporters.

Thirdly, Mr. Speaker, I wish to offer congratulations to our own Adonal Foyle and his Kerosene Lamp Foundation and the Basketball Association with particular help from the outfit in Bequia, Ms. Mitchell and her group on conducting another highly successful basketball and academics island camp for our youths between the ages of 7 to 19. Mr. Speaker, they were supported of course by our Cabinet, because we did a lot of concessions at the level of Cabinet to ensure the successful completion of this camp.

Mr. Speaker, the Sports Tripartite Committee which consists of the National Sports Council, the National Lottery Authority and the Ministry of Sports, we are looking at submitting his name to Cabinet for receiving one of our sports ambassador awards, because we think Adonal Foyle really has been giving back to the country a lot, which he gained from his stint overseas and he continues to do that, Mr. Speaker.

Fourthly, Mr. Speaker, I turn to the Windward Island games which we hosted recently and congratulations are in order first and foremost to the Windward Island games committee, for not only successfully hosting the games but for guiding the process to the point where we were joint winners with Grenada after being in the cellar in the last position for quite a number of years, so they need to be congratulated. That committee is comprised of personnel from the Ministry of Education and the Ministry of Sports. Mr. Speaker, I am well aware that there have been some public criticisms of some organizational administrative aspects, but these are natural and I know the committee has been reviewing with a view to addressing any short comings but they certainly earn our commendations.

Mr. Speaker over the last number of years as I have indicated we have been in the cellar position in these games, and to turn around to be number one took a lot of work, on behalf of the games committee, the coaches, the athletes themselves, the trainers, the parents and the youths, everybody conjoin to make sure there is a turn around. Mr. Speaker, when the netball tournament were opened in January, I had made the comment, because the secondary school committee, had been dormant for a period of time and some of the school competitions were not taking place. Minister Miguel was there with us and we both supported as ministers the work of the Ministry of Education, the Ministry of Sports in this regard. I had made the call, Mr. Speaker, and I want to just say quickly here about the routinization of the Windward Island games, we tend to be going over the same pattern from year to year, when I was in Grenada I called... I attended the game last year, I called for an expansion of the games into a sort of Youth Olympics, such that we go beyond the parameters of the secondary schools and we reach out to the youths on the block, the unemployed youths and have more disciplines inserted into it. And I still will continue to make that call because we can broaden the games and we can ensure that more of our young people are involved.

Mr. Speaker, we insisted on the early preparation of the teams and all those persons who were involved we want to thank and salute them. I also have been developing at the Ministry of Sports, Mr. Speaker, the concept of national teams being understood as centres of sporting excellence. A concept that we are borrowing from education, centres of excellence, where national teams are identified early and they are given all the requisite support. We did this recently with the under 20 team where we put them on the YES Programme.

Mr. Speaker, I had the opportunity to watch them train in the morning, I got there about 9:00 they were training from about 6:00, and they came off the field, they guys had two bananas and they were sharing them with one another, and when I sat with them I discovered the volume of problems they had from nutrition to transport money to gear and so on, so we have been developing this concept of sporting excellence around national teams

and we will continue to do that, so we identified the teams and we put all the supporting mechanisms, sport psychology, chiropractor, the trainer the nutrition, everything in place to support these teams that have been bringing kudos to our country and who have been working very, very hard.

Once again, Mr. Speaker, congratulations are in order for all these sporting bodies that I have mentioned and particular thanks should be given to those who made the Windward Island Game a success. The committee itself, the two ministries, education and sports, Caribbean Bank Note, Wind Lot Incorporate, National Lotteries Authority, the coaches, the trainers, the relevant associations, football, netball, athletics, volleyball, basketball. Football and netball won their disciplines for St. Vincent, Mr. Speaker, and we are very proud of that, and of course the public and the parents of these young people, thank you, very much, Mr. Speaker.

CONFIRMATION OF THE MINUTES

HONOURABLE MR. SPEAKER: Honourable Prime Minister.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members I beg to move that the minutes of this Honourable House sitting on the 18th of June, 2009 be confirmed.

Minutes were previously circulated and accepted as read.

HONOURABLE MR. SPEAKER: Honourable Member for West Kingstown.

HONOURABLE RENE BAPTISTE: On page 11, Mr. Speaker, of the minutes, the line in the penultimate paragraph, the fourth line from the bottom of the page which says the 'Icure' is ICAO and on page 12, that is the International Civil Aviation Organization, and on page 12, the second paragraph line 6 on the left hand column we see the word repeated there again, Mr. Speaker.

HONOURABLE MR. SPEAKER: Secunder for the motion?

HONOURABLE CLAYTON BURGIN: Mr. Speaker, I beg to second the motion.

**Question put and agreed to.
Minutes confirmed as amended.**

ANNOUNCEMENTS BY THE SPEAKER

Just like to say, that apologies have been received for the Honourable Dr. Jerrol Thompson and Honourable Glen Beache, Member for North Leeward and Member for South Windward respectively, who are out of the state on government business. Honourable Terrance Ollivierre, Member for the Southern Grenadines is out of state as well.

STATEMENT BY MINISTERS

HONOURABLE MR. SPEAKER: Honourable Prime Minister.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, there are three important matters on which I would like to make statements to this Honourable House. One is the fiscal situation and the broad economic situation in St. Vincent and the Grenadines and the OECS, the Eastern Caribbean Currency Union. Secondly, the report on the signing by St. Vincent and the Grenadines into the membership of ALBA on June 24th 2009 and there are two documents which have been circulated in that regard, one the document of a statement of membership made by me and one a resolution made by the members of the ALBA in accepting St. Vincent and the Grenadines into the ALBA. And thirdly, to give a further update as I have been doing at intervals on the British American Insurance Company matter.

Mr. Speaker, the economic situation in the CARICOM countries is very challenging at this time, and have been so especially since the economic meltdown in the global, financial and economic system in the latter part of last year, especially since September, but the signs were there of a much earlier. We saw in our own case, those countries which import fuel had to pay US\$147.00 per barrel for oil.

Mr. Speaker, it has to be understood also that despite the direct impact which I had mentioned and detailed in my last budget address in December last year, it has to be understood by all in the region and certainly here in St. Vincent and the Grenadines that the recovery in these CARICOM nation states, the recovery is not going to be in a one to one relationship with any recovery that takes place in the advance economies, there is always a time lag. We are seeing in the United States and in Canada, in Western European including Britain, some very tentative, very modest signs of recovery. Not yet sufficiently firm to take us out of the realm of uncertainty and there will of course be a time lag.

What do we see as the situation unfolding across the region? Barbados, Jamaica, Trinidad and Tobago, Guyana and the Eastern Caribbean Currency Union as a whole are in recession if you define that in terms of two successive quarters of negative growth. It does not mean of course that in every country of the Eastern Caribbean Currency Union, which comprises six independent countries, Montserrat and Anguilla that you will have the same extent of decline in the economies or that you will have two successive quarters of negative growth in each of the economies, but I speak of the sub region as a whole.

The Governor of the Central Bank in Barbados two weeks ago has indicated that so far this year there has been negative growth of 3% in each of the two quarters, and that she projects for the remainder of this year the other two quarters, even if the tentative recovery in the major markets of tourism that is to say European and North America, that there is any rebound that she anticipates again, that there would be a lag and that there will be overall the 3% negative growth for 2009, which is a significant decline. In Trinidad and Tobago, there are two quarters of negative growth have been recorded thus far -3.3% and -1.1% respectively.

Interestingly, the Governor of the Central Bank has made the point, that in Trinidad and Tobago, he does not see the economy in recession nor does he see it in any condition approaching a crisis. In his view, the definition for a recession for an economy like Trinidad and Tobago has to be different than one of two successive quarters of negative growth. It is his contention that the external accounts of Trinidad is so solid and that the extent of unemployment has risen to just about one percentage point, from five point something to just over six point

something. And given the liquidity still in the within the banking system that he is saying that the peculiarities of this energy based economy you have to use other definition for a recession. Whatever you call it, it is a decline and clearly they have to take certain remedial measures.

We have had negative growth in Jamaica in excess of 4% I have been advised. In Guyana, -2% and for the Eastern Caribbean Currency Union as a whole it is projected that this year we will have for the currency union as a whole 2% negative growth. In St. Vincent and the Grenadines the projection is to be better than the ECCU average an estimate of -1%.

In Jamaica the situation is probably at its worst on both the fiscal and external accounts. Between April and the 30th of June, the second quarter of this year, the Jamaica's Government revenue was \$62 billion Jamaican dollars, but spending on only three items, namely, salaries, wages, and interest on debt amounted to \$70 billion Jamaican dollars. In other words, what they collected... I noticed the Leader of the Opposition is smiling, I do not know how a fellow could be a Minister of Finance in a country like that, that what you collected in revenue in a quarter, the second quarter of this year is insufficient to pay salaries, wages and interest. In other words, you have not bought a pin, a tablet, you have not fixed a road, I am not talking about any capital development, any maintenance, you have not bought... you have not paid for utilities, electricity, water, telephone, communication things, gasoline for the vehicles, to replace vehicles, to operating the normal business of government, to buy school books and so on and so forth. And then you have not even begun to touch Amortization as yet.

Interesting in the case of Jamaica, amortization is in the principal sum, all you are taking care of is interest. And it is noteworthy that in Jamaica which had a Standard and Poor standard rating at the year started of B was downgraded at the end of March to B- and it is now further downgraded last week to CC+ it is a... and Jamaica is making preparation to go to the IMF for a facility of US\$1.2 billion dollars this is a standby arrangement with conditionality's. Now, there is a big debate ranging in Jamaica on that question at the moment. It is US \$1.2 billion dollars.

And in Antigua and Barbuda government revenues have been reported to be down this year by 35% from January to July, compare to the similar period for 2008. In Antigua and Barbuda and one other ECCU country public service salaries are being paid late every month, in the case of Antigua and Barbuda sometimes as late as the 15th of the next month.

Now, Barbados, Trinidad and Tobago and the Eastern Caribbean Currency Union, are fortunate in that they still have a sufficiency of foreign exchange to assist them in riding out the period. Of course, the situation is best in Trinidad, because of its oil wealth. And in addition to its significant surpluses, which has as recorded on its external account. It has in addition close to US \$4 billion in the stabilization fund...US \$4 billion. The Governor of the Central Bank has pointed out that Trinidad has at reserves for at least ten months imports. And as everyone in the business knows, you have three months or more you are in a comfortable situation.

I want to make this point which I have made in other fora, that apart from all the preexisting challenges to the economy of St. Vincent and the Grenadines, four of them loom large with immediacy, the first is the fallout from the global economic crisis; the second is the condition of the economy of Antigua and Barbuda, and that is so because Antigua and Barbuda, that economy is one quarter of the GDP of the Eastern Caribbean Currency Union. The third, the immediate challenge is the British American Insurance Company matter, which has in

excess of a billion dollars Eastern Caribbean in liabilities, and in the case of St. Vincent and the Grenadines as I have stated before \$190 million dollars and we have a shortfall in the statutory fund, about \$50 million; of course there are assets outside of the statutory fund but those assets do not amount to the gap. I have stated that repeatedly in this House. And the fourth issue is the fragmented and weak indigenous banking sector of 18 indigenous commercial banks, four of them have very serious challenges or at least let me take out 'very'. And put serious. I want to affirm that our National Commercial Bank is not one of these.

Now, when things are going well persons do not consider the extent of the interrelationships between the external economy and what happens in our own. Or indeed what is taking place somewhere else in Antigua and Barbuda. I will give two examples; one is of a strategic kind, the second of a more operational kind. Let us take the strategic issue first, as we are aware, we have operated for the last 30 years, a monetary policy where our Eastern Caribbean Dollars are matched one for one by foreign currency, especially the US dollar. There is 100% backing.

Now, Antigua and Barbuda being 25% of the economy of Eastern Caribbean Currency Union and when it was growing at numbers 4%, 5% sometimes higher, sometimes a little lower, it meant that foreign inflows would rise and correspondingly the Central Bank can release, print Eastern Caribbean dollars and that would help in the whole of the Eastern Caribbean because it is one pool. When foreign exchange inflows fall in any of these countries, but particularly when it falls in Antigua and in St. Lucia, because St. Lucia is just over 20% of the currency union's GDP, and the US dollars fall, or the foreign exchange falls, the inflows decline, the bank necessarily, in order to keep the one to one relationship, the 100% backing has to bring the EC dollars down to the same level, in other words, take monies out of circulation, so there is a parity, but at a lower level of equilibrium, that is how it works in a summary form.

Clearly, you can print this, the EC dollars, you can release them but there will be not a one to one backing, you can even have it 60% backing as the law says, but if you do that, you are going to have a run on your foreign exchange and you are going to encourage the black market and people are going to begin to get suspicious, so that is why those of us in the Monetary Council we take the determination that we keep the one to one relationship, but it is at a lower level, of equilibrium, that means, a tighter economic situation and that you will increase this EC dollars when you get more foreign currency in the system, either through direct foreign investment, the tourism dollars coming in for export of other goods and services or you get grants and loans, soft loans of a kind, you get your remittances and so on and so forth. So you get an external injection of the foreign currency, either through a state to state activity or state to international organization's activity or by purchasing by other people of your goods and services including tourism services.

So I want to put the picture, so it is in that context that the Eastern Caribbean Currency Union and the OECS have decided to form a task force, we did so in January, a joint task force of which I am the head, the Chairman to respond to this global economic crisis, and I want to say that this year so far has not been a walk in the park and for the rest of this year, it will not be a walk in the park and we will have to look at the extent of the recovery externally and to see what the foreign inflows are like, before we can declare that we are going to have a better 2010 and all the time to maintain the point that these difficulties which have come upon us, have come upon us externally.

There are some things however, in St. Vincent and the Grenadines which are favourable and I would like to speak towards those, Mr. Speaker, because not every country in the Eastern Caribbean Currency Union would be the same. But I would like to emphasize the point that if St. Vincent and Grenadines takes care of its own affairs in the best and most efficacious ways, there are still these four challenges which are facing us with immediacy and I repeat them, the fallout from the global economic crisis, the economy of Antigua and Barbuda, the British American Insurance Company matter, and the fragmented and weak indigenous banking sector of the 18 indigenous banks.

Now, Mr. Speaker, permit me just to recap one thing. I just to recap one thing, I said, I will illustrate the issue in relation to the importance of Antigua from two standpoints, strategic and also something operational. I gave an example which is strategic. I will give one which is operational. Two weeks ago, I spent a Sunday for five hours and a whole day on the Monday, seeking to lay the basis for a solution to impasse with the pilots with LIAT. We have set up such a framework and the meeting was successful. That took place on the Monday. On the Wednesday, some 'I's' were dotted and some 'T's' crossed. Everybody is going to an arbitration. On Thursday morning I turned up at my office at 7:30 a.m. and what meets me and email from the Chief Executive Officer acting at LIAT advising me that the Air Traffic Controllers in Antigua have threatened to go on strike, as from the next day on Friday, if they did not get pay, because it was then Thursday 30th, they should have been paid two days before, Friday the 31st was the last working day and it was that weekend carnival started. So men and women wanted their money for Carnival. But the problem is that Antigua and Barbuda had paid their Air Traffic Controllers in month of June only by the 16th of July. So they now had to pay them twice within one month and they had to find that money. Naturally anytime you have the Air Traffic Controllers sit out in Antigua or in Barbados the whole of LIAT goes aria. So I gave you one strategic example in relation to Antigua, one strategic consideration and one an operational one. There are several others. But I give those to show the extent to which we are all together in this matter.

So I want to turn to some indicators for St. Vincent and the Grenadines which are positive but we have challenges.

First I want to look at the fiscal condition of the Central Government's operations in our country up to the end of July this year, and to state that the fiscal condition is stable though challenging. Our central government's revenue is growing but not at the same level as last year. But our recurrent spending is growing at a faster rate, a faster clip, but the situation is still manageable, and I want to give the basic facts for the first seven months, Mr. Speaker. Total revenue on Grants, for the seven months so far, \$292.7 million or 5.2% above the comparable period for last year Current Revenue alone, that is the current revenue component of the revenue and grants, \$282.5 million or 6% above the comparable level. Now I want to point out that in 2008 the revenues grew at just about 12%. Notice that the revenues are growing at a slower rate. Bear in mind that in Antigua the revenues are down by 35%, in Jamaica by at least 10%. Ours is up by 6.6% thus far in the year. Total expenditure, Recurrent and Capital \$311.05 million for the year thus far, or 6.4% over the comparable period in 2008 Recurrent Expenditure is \$264.5 million or 8.6% higher than the comparable figure last year. So you noticed the recurrent expenditure is growing at a slightly faster rate than the current revenues.

Capital expenditure thus far for the first seven months, is \$46.5 million, pretty much the same as last year, it is just 4.6% below the comparable figure for last year and last year we ended up doing \$121 million in capital spending which was not bad. I should point out that where you see a figure like that, there is not much of a

much-ness because there may be not yet some reportage in the period. Some were reported better last year rather than this year and so on, so I am not worried about the capital expenditure in that respect. The current account balance is a surplus of \$17.9 million, but it is 15.5% below the comparable figure for 2008 and the overall balance that is to say both on the capital and current account there is deficit of \$18.2 million compared to a deficit of \$14.07 million, for the comparable period in 2008. But I should indicate for the comparable period in 2007, it was much higher at \$27.4 million. So as you see that the situation is basically one of consolidating and stability though challenging.

I want to point out Mr. Speaker, Honourable Members, that in the areas of the recurrent expenditure the biggest items are personal emoluments, salaries and pensions, amounting to \$110.9 million for the first seven months of this year compared to \$89.3 million for the comparable period of July 31st 2007. I used that period, July 31st 2007, for this reason. I am using it for this reason, you may recall that it is the period subsequent to that that we had the reclassification and the salary increases. There are some in the early part of the year, which was back dated, but I gave this figure because the substantial numbers were afterwards.

Now, I want colleagues to bear this in mind, you noticed the extent of the enhancement in salaries and pensions by over \$21 million but that does not take account of this which I am about to tell you, it would have been much higher were it not for the fact that the Community College and the Tourism Authority were hived off from the Central Government and therefore salaries and pensions were not reflected in those numbers, which you have their for Community College and Tourism Authority, you would see those numbers in transfers and subsidies, which jumped from \$40.6 million up to July 2007, to \$64.7 million, in 2009.

In short, the salaries components and pension component are even higher than the figures show because you would have those who have gone over to the Tourism Authority and the Community College which should have been normally paid by the Central Government are not paid through transfers. And of course, transfers and subsidies include payments to the University of the West Indies and other regional institutions where the numbers have gone up, because of our Education Revolution in the case of UWI and social safety net payments, which have increased, because one of the things which we do not want to do as a government, the gains which we have made in terms of poverty reduction where as is seen over the last eight years, poverty has been reduced from 37.5% of the population to 30.2% and indigence has moved remarkable from 25.7% of the population to 2.9% of the population, this government is making every single effort to ensure the gains which we have made in reducing poverty and practically eradicating indigence that those gains be not eroded even in this very difficult period.

And then of course goods and services, I am still dealing with the recurrent expenditure section, goods and services amount to \$47.2 million for the first seven months compared to \$36.7 million up to July 31st 2007. And interest payments went up by just about \$3 million from \$26.5 million in 2007 to \$29.5 million in 2009.

Now, it is clear from these numbers that the government is managing the challenges pretty well, despite the external pressures. Now I anticipate that in the second half, capital spending will go up, because of monies which we have received additionally for example, monies which have yet to be brought to account and I will speak to what we are spending these on, 415.4 million on the IMF; \$12.9 million from the European Union as policy base grants, those are EC monies, and the soon to be disbursed US\$12.5 million half of the US\$25

million policy based loan from the CDB, and of course monies for example like the \$2.9 million, from ALBA for agriculture.

So that is the first situation the fiscal one which we have not deteriorated in the one we have seen deterioration in several other countries in the region, and it is remarkable that we have been able to hold it together in the way in which we have. As I said, this year has not been a walk in the park. I know, people go about, every enjoys carnival and they enjoyed carnival the same way; for instance, though the Carnival Development Committee has done very well in trying to keep its expenses in order, I had decided at the start of the year at the base of the budget to give the Carnival Development Committee, \$650,000.00 as a subvention, the Lottery is five hundred and something thousand dollars, but despite all that the pressures and expenses and all various things which have gone up, I had to find \$303,000.00 additional to give them, to make sure that people who would have got paid, got paid on Saturday. Even in this difficult period. So when people at the park and on the streets jumping up and enjoying themselves and everybody is doing everything and CDC is spending the money and so on, at the end of the day I had to find it in this tough guava period which has come upon us from outside. These are challenges external to us.

The second positive area Mr. Speaker, is that, despite a few layoffs here and there, the job situation is holding pretty well for the following reasons. We have had no layoffs in the public sector, government and public enterprises. Indeed we have had increases in employment overall particularly in the areas of Health and Education. There will be some retrenchment as a consequence of the reorganization of BRAGSA and when we come to the Supplementary Appropriation Bill we will speak about that. Secondly, we have had no layoffs from Canouan, either at the resort at Tamarind Hotel or the construction company. Last week I had a meeting with Mr. Saladino and I want to say that the occupancy rates as you would expect at Canouan has fallen. But I have extracted an undertaking from Mr. Saladino, that in this difficult period we have to ride it out together and that he must not layoff persons who are there. And I have received that undertaking and I must say, that that undertaking holds so that over a thousand people still employed at Tamarind Resort and with the construction company.

I want to say this that a number of persons do not grasp the significance of this. I know some people may say glibly, well they have lands that they can sell in the developed area for further development, the fact of the matter for the first six months of this year, not one land sale from that area has come to my attention for Alien Landholding License, where as last year there were several, reflecting the down turn in the global economy.

Thirdly, there have been no layoffs at the Mustique Company which has a labour force too of over a thousand. And the Mustique Company gave me also the assurance that they would not layoff anybody and they have kept their word on that matter. I am pleased to say that I have had a meeting last week again, also with the leading officials of the Mustique Company and the Chairman, the Chief Executive Officer that the books for this period are picking up and they are showing what they call a green shoot and they are looking pretty good from the winter season right up to spring. So it appears as though that for particular groups we are seeing the upturn elsewhere, however tentative reflecting in some pick up. And we have not had any layoffs brought to my attention and I have spoken to Mr. Joel Providence who deals with a number of the Vincentians who work on the cruise ships and you still have close to 2,500 persons or thereabouts working on the cruise ships which is an important source of remittances.

And when you see the remittances number, in St. Vincent and the Grenadines do not fall in the way it falls for instance in Cuba, Dominican Republic, Guyana and also Jamaica is because of this factor, this is an important factor, those who are on the cruise ships and the statistics incorporate the sending home of their salaries as remittances. If I may say parenthetically one of the matters I am giving consideration, I have not discussed it with my officials, is perhaps to find a way in which we could address income earned by Vincentians, who have ordinary residence or persons who have permanent residence in St. Vincent and the Grenadines, income earned overseas to exempt everybody from paying income tax. That is a question I am going through in my mind. Because one of the difficulties there Honourable Members is that it is easy for the Income Tax Department to capture some people but there are a number of people who escape, the question of the capacity. So those who are easier to capture, gets captured but those invariably who even earn larger amounts of money they do not get capture. Professionals who work overseas of one kind or the other, persons who are permanently resident here, but who are not citizens but who are supposed to pay taxes here, because they have permanent residence and ordinary residence, and you do not have any tax treaty with them, so that they will be entitled to pay taxes here. So that is by the way something.

So I come again to say that fourthly we have not seen layoffs on the Vincentian cruise ships.

Fifth there has been an increase at the jobs at the Buccama Project from 350 or thereabouts to roughly 800 persons. And I want to say this, especially to the people between Campden Park and Barrouallie I have been advised, including Vermont that between 650 and 680 are the numbers indicated who work. I just want to say also parenthetically that those who had labeled a phantom project would perhaps sometime have reason to rethink their position and also I want to make the point that if it were not for the construction of the international airport at Argyle, I want the people, that 650 to 680 people between Campden Park and Barrouallie including the Vermont Valley to know that without the policy of the ULP government on the airport in relation to foreign investment that project would not be there and they would not have gotten jobs.

And of course, finally, we have had additional jobs here and there in other sectors especially in the distributive trades and fishing.

Thirdly, Chair, I mean Mr. Speaker. Mr. Speaker, I have been so much involved in the constitutional review, and calling you Chair in the Select Committees, I apologize. The Consumer Price Index has fallen. The cost of living has been falling. The point to point inflation was recorded as negative 1.1% for the month of July, 2009, compared to 10.5% for July 2008. The food index has been declining. Prices have fallen for many items including fish, and those who buy Jacks and Robin knows that, milk, ground provisions and vegetables, English potatoes, onions, corn beef, some people would not be so happy that the price of corn beef has fallen because they think it is not a healthy food, whole chicken and chicken back and codfish and chicken and rice, we have had fallen prices in those things and others.

Electricity price has fallen from the high of last year July, remember July August last year it was dread, real problems, do you remember when there were protests by a group saying it is VINLEC fault. And when we made the simple point and said it was because of \$147 a barrel for oil and that it would be passed on and then, you noticed the protest fizzled out as the international prices fell, but of course they claimed that it was because of their protest why the prices fell. It is an amazing piece of logic, you know, that you blow wind out of your

mouth unto a house simultaneously as a Category 5 hurricane hits, and the reason is not the Category 5 hurricane, it is the wind from your mouth, that is how you have causation from some people.

M. Speaker, we have had to increase the price of fuel on Monday, gasoline and diesel because we used the three months moving average. In accordance with the, when it goes up internationally, we do not do it immediately when it comes down internationally we do not do it immediately, we do it with a three month average to iron out the fluctuations. And I would explain how we do that in the budget address some time Mr. Speaker.

Now, look at this, Antigua and Barbuda on Friday before us on the Monday increased the price of gas to \$11.50, we have increased it to \$10.61, the price for... it is almost a dollar less here in St. Vincent and the Grenadines than it is in Antigua and they have increased the price of diesel where it is a dollar something more a gallon than it is in St. Vincent and the Grenadines. And watch this, people used to say to me, how is it that in Antigua and Barbuda you are paying \$21.00 for a twenty pound cylinder of gas and you pay \$35.00 here in St. Vincent and the Grenadines, and I said the Antiguan government was making a big mistake because they were subsidizing everybody. And they were subsidizing the rich, because the people who used the most of the cooking gas were the hotels.

So what you do when you are fighting poverty, you do not subsidize the rich, everybody will pay the price, but what you make by not subsidizing you then go and give income support to those who need it, so that they could take that extra money to pay for their gas, so it amounts to giving them a reduction, a subsidy but you do it in a targeted way, which is the way this government has been functioning. In any event the gas now from PETRO CARIBE which is 22.2 pounds because it is 20 kilograms rather than 20 pounds is only \$29.00 whereas in Antigua it is now \$32.00.

Thirdly, Mr. Speaker, the safety net for the poor and the disadvantaged is being widened and strengthened through the Central Government and the National Insurance Services. There are several strategic interventions which we have embarked upon by the Central Government in the areas of public assistance, enhanced support for students in St. Vincent and oversee and tax relief for the working people, and Mr. Speaker, through the NIS, and there is a regulation for negative resolution passage here today where here are 300 persons additional through a special elderly support payment, elderly support systems.

And if I may say Mr. Speaker, this elderly support assistance is for persons who have been in the informal sector who are 67 years of age and over will get \$150 every four weeks, well they will get \$75.00 every two weeks from the NIS, this is an addition, and we are back dating it to April 1st. I must say that the National Insurance Services in my judgment I have told them this, they have not moved as rapidly, and because they did not move as rapidly, you cannot do it from July when you moved you have to do it from April 1st, because the instructions were given to them at the end of February and they should have had this sorted out in March. So you cannot disadvantage the poor who are getting the assistance, we put it back date to April 1st.

Mr. Speaker, we see the students, there is a million dollars additional for 25 bursaries for students \$20,000.00 a year for the students who want to do medicine and physics and chemistry and mathematics, information technology and I gave approval yesterday for someone in a technical vocational area known as fashion designing. And then of course we have implement a series of measures to stimulate the economy including investment monies for entrepreneurs, tax relief for tourism sector and extra monies for public sector investment

programme. And Mr. Speaker, over the whole of the ECCU we have elaborated an 8 point stabilization and growth programme and it is aimed at stabilizing and transforming the economies with three principal objectives, stabilization stimulus and structural reform, and we have made those known in our presentation on July 23rd when all the heads of the Eastern Caribbean Currency Union met in a television link up for two and half hours, be it my own presentation there Mr. Speaker, I will give to Honourable Members, it is called the Economies of the Eastern Caribbean Currency Union and our strategic response, it is a 38 page paper and I am doing an appendix to it currently on the economy of St. Vincent and the Grenadines. The reason why all this is being down as usual, is in the interest of transparency, the public to understand where we are, the challenges which we are meeting and our prospects and things that are positive.

Mr. Speaker, I had said in my presentation that I would indicate what we are spending the European Union Budget Support \$12.9 million on; remember I had indicated that we had gotten that money, the following list of projects, Honourable Members would know, I have signed off on these, and given instructions to the staff in the Ministry of Finance. Under the Ministry of Finance, \$600,000.00, for the modernization of Customs, \$1.2 million for the property tax reform, making it \$1.8 million for the Ministry of Finance. For the Ministry of National Mobilization \$60,000.00, for legislative reform for children and families so that we will improve the legislative framework, for children and families. The Ministry of Education, \$750,000.00 for upgrading schools premises and for the book loan scheme, and I want the children to know and the parents that I am allocating out of this money, \$1.5 million to the book loan scheme, making it \$2.25 million for the Ministry of Education. I do not want anybody to say, to think that I am doing all of these things that I am going to call elections before the referendum, I have given my word that I am not doing that. These are just measures that we are taking on an ongoing basis.

The Ministry of National Security \$1 million for the Georgetown Police Station and \$1 million for the Canouan administrative building, so that \$2 million for the Ministry of National Security out of this amount. The Ministry of Agriculture in addition to the \$2.9 million which we have just given and providing a further \$1.7 million here from this \$12.9 million, to be spent on the following ways, Forestry Protection and sustainable livelihood, \$120,000.00; animal production development project \$500,000.00. The land bank \$750,000.00, germoplasm \$100,000.00, and further support for the Lauders Packing Plant of \$300,000.00, WIBDECO is supposed to put in another \$200,000.00 for WIBDECO is supposed to put in another \$200,000.00 because WIBDECO owes 40% of that Lauders AGRO Process Plant.

Ministry of Rural Transformation, rural electrification \$150,000.00, Mr. Speaker, it pains me and I am hoping that VINLEC is listening that there is even one child in this country who has to read their school books by lamp or candle, or worst to go outside under a streetlight. I know we have done very well, with ninety something percent of the homes having electricity but there are some homes which do not have and they are poor people. If we are having an educational revolution and we are starting out on an equal footing I do not want some children who going to school who studying by electric bulbs and some others spoiling their eyes, jamming up under a lantern or lamp or candle, so I am putting \$150,000.00 further for rural electrification and if more is needed I will provide more money because this is absolutely essential and I do not want one young child to be so disadvantaged.

Development of rural community markets \$400,000.00, the Georgetown Rural Development Facility \$3 million, so Rural Transformation is having \$3.5 million, the Ministry of Transport and Works, I want the people

in North Leeward to know that the Cumberland Sporting facility is getting an additional \$270,000.00, from this amount of money. River defences \$1.1 million, upgrading of roads, \$500,000.00. Mr. Speaker, I want to indicate that we anticipate, that upgrading of roads money and the river defenses that those monies would be paid over when specifically to BRAGSA, because we expect that BRAGSA would be contracted to do work of this kind, even though some of this money comes to the Ministry of Transport and Works.

The Ministry of Urban Development for cultural development for the Garifuna programmes, \$125,000.00, for the Ministry of Health, health facility, electrical generation, this is to purchase generators, \$300,000.00. I know I heard sometime one of the generators at the hospital did not kick in on time, we cannot have that happening. Never must that happen. Improvement to primary health care \$550,000.00 giving you \$850,000.00.

The Ministry of Housing, the Kingstown Bus Terminal redevelopment programme of which you have heard Minister Francis speak would get a \$1 million out of this European Union budget support. Those numbers come up to \$15.2 million, Mr. Speaker, but I have only \$12.9 million, but what happens if you take out the VAT from that, the VAT is \$1.984 million which we are getting in any case, so that will simply be put back so it ends up as being \$13.23 million dollars, in short the Central Government will put the \$300,000.00 on top of this \$12.9 million.

In relation to the money, Mr. Speaker, from the exogenous shocks facility of the IMF, as you may recall we received \$3.735 million Special Drawing Rights, (SDR), approximating to \$15.4 million, that is 45% of our SDR's, and this money has come to us, Mr. Speaker, I should point out that these monies when I get them, I have asked that they go through the Central Bank, not come straight here, because what I want to do, is to build up the foreign exchange inflows for the Central Bank. They can always give me EC dollars, so that I have more EC dollars in circulation. I know sometimes we need foreign currency to pay bills, we have to go and buy, but I have to do the balance because I want the currency union to have enough foreign exchange so that I can keep the comparable level of EC dollars in circulation, to simulate it, so a man can make a piece of change.

You know, he who knows only formal economics knows no economics. So this is how we are spending the \$15.4 million. Mr. Speaker, the projects which I am listing would come up to \$13.47 million and the rest of the money will go into other areas. But I give the rest of the major ones from this \$15.4 million.

The Windward Highway Development put in 5.23 million, of this amount \$1.7 million will be allocated to the North Windward Project to complete the works not funded by the European Union. What has happened is this, they have had so many operational difficulties that there were some timing issues, and you know the European Union, so what we are doing, the European Union is not putting the \$1.7 on that project, but they are putting it on the Vigie Highway, so all we do, we were going to put the money in the Vigie Highway in any case so we just financed it on the Windward Side. So we put \$1.7 million there and we put \$3.5 million for the realignment of the road at Argyle, the by-pass. The actual cost of the Vigie Highway is \$2.1 million. DIPCON is doing that and we will naturally put the difference from what the European Union is putting.

The Union Island Airport \$3.84 million that project is costing \$4.5 million, \$4 million for the runway and other things at the airport itself and \$500,000.00, for the sea defences. And for the National Library Complex we are putting \$4.33 million to help to build the retaining walls there, inclusion of wireless network, and to strengthen the water proofing for the roof and some new windows which we have put in. Mr. Speaker, I know it has been a long ministerial statement but it has been a comprehensive one because of the importance of this issue to our

country. The state of the economy, what we are doing nationally, what is the fiscal situation, like what is the capital situation, how are we moving, how are we spending those monies which we have gotten recently and also how we are dealing with the issues regionally.

Mr. Speaker, the documents in relation to the Bolivarian Alternative for the People's of our America and PCP, that is the...

HONOURABLE ST. CLAIR LEACOCK: Mr. Speaker, I wonder before the Prime Minister move off the next of his ministerial statement just in the interest of completeness whether he is in a position to give us the latest Standard and Poor Credit Rating for St. Vincent and the Grenadines.

DR. THE HONOURABLE RALPH GONSALVES: We last year as you are aware, Standard and Poor came and we had a B, so that,... we have not done one for this year. But the situation in my judgment would not change because the numbers which we have presented as you would have noticed. In fact, one of the problems now that Senator Leacock has raised this, one of the problems in the Jamaican situation is the extent to which the debt has increased very sharply. It is now about 125% 130% of the GDP.

St. Vincent and the Grenadines has the lowest debt to GDP ratio, in the OECS, 70% which is about the same level as when we came to office. Now, it is not that the debt has not gone up; it is that the GDP has increased and of course we have gotten the fantastic debt relief at Ottley Hall. The average debt to GDP ratio at the end of 2008, in the Eastern Caribbean Currency Union was 90% ranging from St. Vincent and the Grenadines 70%, to St. Kitts/Nevis of 165% to GDP.

Now, I say 70%, one of the things, I do not know if you are aware of this, I am quite sure the Leader of the Opposition is aware of it, when you use the debt figures, there are some people who sometimes, they would say oh, you said that, but I am seeing something that the figure is two percentage higher, three percentage points higher or lower, there are different measurements in respect to debt to GDP, and you have to use consistent measurements, the IMF for instance, for I am sure that the Honourable Leader of the Opposition would indicate to you if you are not aware, that the IMF standards which they use, they do not incorporate any debt which the public sector owes to itself, save and except it is a financial institution. So if you owe the National Insurance Services, the National Insurance Services is seen as part of the Central Government's operations and that would not come into the account. But in the 70% I would put it into the account. The IMF figure would be slightly less than that. Of course, if you owe the National Commercial Bank because it is a financial institution, outside of the Central Government that that is taken into account for the debt even though it is a state owed bank. And there are many of these things I read and I hear people talk and St. Vincent and the Grenadines you have uninitiated people who do not ask questions, who do not study things, everybody, you have a mouth, you have a cell phone, they have a FM radio and they are experts on every subject under the sun. And that is why when people ask me things I say let me find out first, and do not speak about it unless you know, and this is one example which I gave, just in the context of what you raised. But I do not anticipate at all, that our rating, our sovereign rating would decline.

St. Vincent and the Grenadines as I have said, you do not may want to believe it for whatever reasons but the data that I have given indicate that the country is holding up to challenges pretty well. It does not mean that they are no challenges. I have emphasize what they are, and the Antigua and Barbuda economy if it deteriorates further can blow us off course, if the recovery does not take place, we can have even greater challenges. If

British American Insurance Company which I am trying to solve is not solved, it puts an enormous pressure on us, if something were to happen to one or two of the very weak indigenous banks, because what has happened, they had problems preexisting but because they were in countries where there was a lot of foreign exchange inflows they were able to mask their weaknesses and get away for a while, even with tight regulations, but that has happened in the states too. But the problem of the foreign exchange has hit them and therefore liquidity problems faced them, as you would appreciate, they have to go and borrow from other banks, they may have assets, so their inter bank balances become relatively high, and what they would owe the Central Bank, the totality of the inter bank balances and their indebtedness to the Central Bank would be a much higher percentage of their deposit base than it ought to be, and it has to do with the liquidity challenges that have come upon them. And that is why I took time to address that.

Now, you are raising issues which are of a more seminar type discussion which we are to have, unfortunately we do not have informed seminar type discussions in this country on the radio. My statement is going to be picked here and there and you are going to have a lot of illiteracy commented upon by literate people, but that is part of the travails of an open democracy which we have in St. Vincent and the Grenadines, and make corrections; fortunately, people normally say, I am not making up my mind until hear the Prime Minister speaks, because they make distinctions as to voices which are authoritative and those which are not. Non-authoritative voices are good for fun and laughter and carnival and bacchanal, but serious business is reserved for serious people.

Mr. Speaker, as you would see we have circulated two documents, statement of membership of the Bolivarian Alternative for the peoples of our America signed by the Government of St. Vincent and the Grenadines. Mr. Speaker, I just want to draw attention as you will see the first page and the second page address certain principles of ALBA and the background the principles we signed on to here in February 2007, but I want to draw attention to two (yes it is distributed, it should be in your packages, it is also on the Table). Mr. Speaker, on page 3 at the second paragraph, it says:

“At the same time the people’s trade agreement of ALBA does not require or demand reciprocity in trade from poorer member state such as Dominica and St. Vincent and the Grenadines.”

That is an important aspect of the ALBA which we have signed on to. That we do not have to give Venezuela or any other country in the ALBA the reciprocal treatment to any free trade between ourselves and them, therefore we do not offend the rules of the OECS or CARICOM because we have not given any reciprocity, and secondly, you see at the bottom:

“As an integration movement, ALBA is complementary to and not subversive of the other homegrown circles of integration in the Caribbean such as CARICOM, the OECS and the Eastern Caribbean Currency Union.”

So you have been say *ah*, they have formed... they are undermining CARICOM, they are undermining the OECS, it is stated here, ‘it is not subversive of’. They say *ah*, Ecuador and Venezuela and Nicaragua and Bolivia, and Cuba are having a virtual currency known as the SUCRE, what is going to happen to the Eastern Caribbean Currency Union. But we say explicitly that does not involve us, the SUCRE does not involve us. And what is interesting, the resolution of the member countries of ALBA, you will notice the terms in which we

were accepted. Particularly its determination to fight the neo liberalism that brought about the real collapse of our economies and an increase of poverty, worsen social inequalities and deteriorated the standard of living of our people's and generated an unprecedented wave of social and political alienation. So I want to make that point.

Mr. Speaker, I know it has been written, despite what I said that I joined the ALBA long time. I only now say so. When we join the principles of ALBA we said so and we released it. Joining the principles did not involve joining ALBA. We now have to go to the stage, now that the ALBA bank is opened to us, to do some formalities with the ALBA bank, so that the public and private sector can get monies from the ALBA bank.

Mr. Speaker, in pretty much the same way, that people say these things, I see a letter by somebody in the newspaper saying that Mr. Parnell Campbell Q. C., does not understand the law. That he has read the section and any sensible person reading the section will see that Campbell is wrong. This is somebody who is uninitiated in the law, is telling a man who is a Queen's Counsel, that he is plain wrong. He does not say that he is mistaken you know, that maybe he needs to reconsider. All of a sudden we have had..., it is one of the most troubling things, but the way I was brought up in my community, and the rank and file of the people in this country, they know that not every sanitation worker can fly a plane. And not the uninitiated, and a person who is illiterate cannot be Minister of Finance, they cannot be in the House, because they must be able to read and write the English Language with a certain degree of proficiency. So that you have this thing that every voice on technical questions must have the same weight and a person who is not schooled in the law is telling people who are schooled in the law what the law is. I have never heard things like that.

HONOURABLE ST. CLAIR LEACOCK: And every pilot does not know how to sweep the street.

DR. THE HONORUABLE RALPH GONSALVES: Absolutely, and every pilot does not know how to sweep the street. And that is why I accept the position of Saint Paul in the Book of Romans that the body, there are several parts, they have the different functions, those to teach will teach, those to prophesy will prophesy, and those to lead will lead. I follow the Book. It is there.

Mr. Speaker, I want to draw members' attention to a letter which was published in the newspaper on British American by the Press Secretary to the Prime Minister, it was published on August, last weekend and I want to say it outlines all the circumstances that British American and where we are. I want to make the point, to emphasize that through work that I have been doing, we have received of a practical nature, I have received to the Central Bank the sum of USD \$50 million from the Petroleum facility to form the base for the new entity for British American which would require about USD \$235 million to capitalized public and private sector. And we have a programme where we are going at it. We have already paid out of the second fiscal tranche at my request and through the intervention of the Monetary Council; the money is for the catastrophic reinsurance of properties. We have paid the first installment; we will pay the second installment in October. We have had not last week, the week before in all the countries of the Eastern Caribbean Currency Union with the exception of Dominica, we have had the appointment of the Judicial Manager, who is KPMG.

I have had a meeting with the people from KPMG already, as the person in the Monetary Council who heads the subcommittee on insurance. I am at the moment working out with colleagues because I have taken a decision that out of that USD \$50 million we can pay some urgent medical expenses. We want to get a summary of the very urgent ones, but that is matter of concern to me. And we are having three persons from

different countries, highly skilled individuals from the Ministries of Finance who will be located at the Central Bank. The offices are already prepared for them, to work in conjunction with the subcommittee of the Monetary Council for insurance headed by me, with insurance regulators and with KPMG.

KPMG has sent out a press release, which is available. Mr. Speaker, this is a difficult and complicated issue. Those who have instruments which have come to maturity, I just ask them to bear with me, bear with us. I am seeing the light at the end of the tunnel but it is a difficult and tortuous passage, and many elements have to be put together. The countries are looking at the Memorandum of Understanding which we prepared here in St. Vincent and the Grenadines as the way forward, the Eastern Caribbean Currency Union Countries, plus Bahamas, Barbados, and Trinidad and Tobago.

I have gotten the agreement from the Government of Barbados already, the Prime Minister has indicated to me formally, that the USD \$5 million which they promised to put in as Trinidad, as they have put in USD \$50 million from the petroleum facility. Barbados has put in a further USD \$5 million as a loan for which they would get preference shares, and Trinidad and Tobago has agreed in principle for a certain sum to be put in, for which they would get preference shares, obviously, the company holds that they would get a return on their preference shares. If the company does not hold, well, we know the status of preference shares. And I want to say that a very significant player in the regional financial system as expressed to me a desire to be involved in this exercise and I am meeting them on Friday the 14th, tomorrow.

Mr. Speaker, all these matters have been taken up -- as you would have anticipated and you would hear from what I am saying, -- an extraordinary amount of time. These are regional matters with national impact. And they require great ingenuity and creativity and goodwill for us to get together on these matters. And I want to give the assurance that the principles that we have enunciated from the very beginning, I have done here in relation to British American, I am seeking to follow the public policy in accordance with those principles. I am obliged.

HONOURABLE MR. SPEAKER: Senator Leacock.

HONOURABLE ST. CLAIR LEACOCK: I know we are not allowed to ask question but I thought the Prime Minister would perhaps want to assist us to indicate that on observation on the statement on the ALBA membership, the Bolivarian resolution et cetera, that there is a slight diversion to one that has appeared in the public which seem to have associated St. Vincent and the Grenadines with solidarity message with Iran and defence of Adijaver. Are we in fact endorsing that or are we disconnecting from that statement. I just want a clarification.

And the second one, Mr. Prime Minister, while you are on your feet, would you just clarify further your role in the British American exercise, at time I am hearing I, and me but, I am not so sure whether you are acting as Prime Minister of Finance, or you are in fact as head of a consortium of the region and therefore it is not so much Ralph E. Gonsalves, or the Prime Minister here, but you acting in the capacity as a regional person.

HONOURABLE MR. SPEAKER: Honourable Prime Minister, before you answer the question, I just want to make the point and to reinforce the point that we do not use this period for a question and answer period. I know you would want to answer the question but want this point to be reinforced because I noticed it is creeping in every time the Ministerial Statement is made, and until the Rules are changed it is my intention to

uphold the Rules and I am not going to entertain this any longer. You might want to answer this one, but I think we have to go with the Rules, because you see, you give an inch and you take an L. So I just want to go on record.

DR. THE HONORUABLE RALPH GONSALVES: Mr. Speaker, on the last question I am certainly acting both as Prime Minister of St. Vincent and the Grenadines and as Chairman of the Insurance Subcommittee on the Monetary Council. I know that Senator Leacock may wish to belittle my leadership role and therefore for me to speak only in the collective. But as chairman I have leadership on the issue but I said that I operate within the four principles which we have established at the Monetary Council. And I follow that policy. But I mean, I know Senator Leacock well enough to know the... he knows the answer and the import of what he has said but he has said it nevertheless for political effect. But I am not going to be so drawn. The people heard what I have said.

Secondly, in relation to the matter reported in the newspapers, you know it says about the report I read it, interestingly, the reporter, was at a press conference where I spoke about non reciprocity, and also about the ALBA not being subversive of any of the other circles of regional integration including CARICOM, the OECS and the ECCU; you would not have seen those points made in the newspaper report. And because either the writer or the newspaper, the reporter or the newspaper had some agenda other than that to say what I signed, which were circulated to them, or misunderstood what they read about what I signed. And then when they moved imperceptibly from describing the ALBA and what I signed towards the issue of solidarity with the current government in Iran, as far as the elections were concerned, they made it appear as though that was part of the ALBA document which I had signed which was not the case as you can see from the documents. Actually, one of the reasons why I emphasize the points that I emphasize was to clarify in people's mind what I signed, the importance for St. Vincent and the Grenadines and to undercut the jaundice reporting without in fact addressing the jaundice reporting. There is an occasion when I shall do so. But I only wanted to lay the substratum of fact, when I will subsequently address the jaundice reporting.

REPORTS FROM SELECT COMMITTEES

DR. THE HONORUABLE RALPH GONSALVES: Mr. Speaker, there is one select committee, well really it is standing committee, the finance committee which report which minutes have been circulated and they are accordingly laid.

Secondly, Mr. Speaker, there is one important matter which is before the select committee of this House, the select committee happens to be the whole of the House, not to be confused with let me emphasize the stage of proceedings known as the committee stage of the whole House because some people may well have some confusion over that. This is a select committee, it is only that it comprise of all the members.

On the Constitution Bill, 2009, we have had eight meetings, Mr. Speaker, of that select committee. We have had a number of submissions in writing, and you Mr. Speaker, as Chairman of the select committee, you have invited several persons to come to the select committee to speak to their submissions and we have heard them and interacted with them. Those are the reports. In due course a full report will be made in writing, by the

distinguish Clerk of the House which would be available to all members and naturally to the public. I am obliged.

PAPERS

DR. THE HONORUABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, the Supplementary Estimates 2009, they were passed through the Finance Committee, on Tuesday morning, right here at the House of Assembly and they have been circulated. It was passed without any amendments as indicated in the minutes, save and except for the adding of the word Bridges and Roads, in the objects of the nomenclature.

QUESTION FOR ORAL ANSWERS

HONOURABLE MR. SPEAKER: Question No. 1 Honourable Leader of the Opposition.

1. *The Honourable Arnhim Eustace, Member of Parliament for East Kingstown and the Leader of the Opposition to ask the Honourable Prime Minister and Minister of Finance, Economic Planning, Legal Affairs and Grenadines Affairs:*

a. *What was the level of the Central Government overdraft as at June 30th 2009; and*

b. *What was the level of the Public Sector overdraft as at June 20th 2009.*

HONOURABLE MR. SPEAKER: Honourable Prime Minister.

DR. THE HONORUABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, I just want before I answer this because it is a very brief answer for Honourable Members and those who are listening on radio or on television, to understand that this is not an overdraft, it is a fluctuating overdraft. It is up one day, and it may be down significantly the next day. I just want to, so you may select a particular day when it is up, I can select days when it is much lower. I just want to make that point, as it happens with everybody.

As at the 30th of June the Central Government overdraft at the National Commercial Bank stood at \$69,591,820.00. I want to say to you that \$69,591,820.00 – as of last evening it was below \$60 million. As at June 30th 2009, the Public Sector overdraft at the National Commercial Bank this includes the Central Government and all the public enterprises to constitute the Public Sector overdraft, amounted to \$87,905,557.00.

Mr. Speaker, the entities which are really involved I can name them out, but of course there is the Accountant General's Office which is the figure which I gave earlier of the \$69 million. You have the Arrowroot Association, GESCO, Housing and Land Development Corporation, the Kingstown Board, the National Fisheries Market, the Banana Growers Association, well that is now at an end and we have to take over but the formalities have to be done; the Postal Corporation, National Properties Food City, FIU, Carnival Development Committee, Cricket World Cup, National Broadcasting Corporation, a small sum, those are the ones.

Incidentally for Honourable Members, who would like to know what is the state of the overdraft and for all the enterprises, they can simply look in the Estimates to see what they were at the end of September 2008, so that the public will know that this is not a matter which is kept secret when the estimates are prepared, under the appendix public debt, because the estimates are prepared in the period of October, November, we give the latest figure up to September the 30th of the particular year in which the estimates are laid. I just want to make that point.

HONOURABLE MR. SPEAKER: Question No. 2 Honourable Leader of the Opposition.

2. *The Honourable Arnhim Eustace, Member of Parliament for East Kingstown and the Leader of the Opposition to ask the Honourable Prime Minister and Minister of Finance, Economic Planning, Legal Affairs and Grenadines Affairs:*

How much money is owed by Government for goods and services as at June 30th 2009 which is due and not yet paid.

HONOURABLE MR. SPEAKER: Honourable Prime Minister.

DR. THE HONORUABLE RALPH GONSALVES: Mr. Speaker, \$7.8 million. Mr. Speaker, here again, on any one day you will have a figure of \$7.8 million, another day you will have a lower number, another day you will have a higher number.

For instance when I came to office, one item alone was \$7 million; that is to say what was owed to the CARAFI from Kuwait for the repair works which they had done on the cruise ship pier consequent upon the left handed Lenny. I gave that as an example. I put all those things so that those, I am quite sure that the Leader of the Opposition only wishes to know for the purposes of the true position, and there is no hidden political issue here based on anybody's, not his, but other people's ignorance who would wish to know particularly some who are on talk radio, and I am absolutely shore, none of that is in his consideration and that his consideration as an Honourable Member is simply to get the facts from the Minister of Finance. But I make the other point for the purpose of putting it within the context to explain to those who are uninitiated in these matters.

For instance, you take CO Williams, out of this, there are some money that would have been owed to CO Williams on their work at the Argyle bypass road but you have just heard that I have the money from the Exogenous Shocks Facility to make the payment. And it is not that... and all you will tell somebody with that, say well listen, there is this money which is here, we just have to allocate it in the proper way just hold on and they do hold on.

One of the things which I must say which worries me, is when we have small contractors, especially small contractors who have their claims held up, and one of the painful things is that I know monies are allocated, monies are released and monies are available but because some other paper work may not have been done for the Accountant General to pay, or because it has not reached the Accountant General's Office, because they have not done the paper work in the relevant ministry, and you have somebody when they go to the Treasury,

they say, of course, most people at the Treasury, almost all of them, are very professional, but you have the odd one, who is unprofessional who will say, 'well, it is all you government, you know, they cannot pay their bill. They ain't got no money'. And that is taken up as though it is truth, but that person may have his or her own beef for his or her own reason. But we live in an open and democratic society and those things are permissible. I put all that in the mix so that the public will understand, the context in which such answers which I have given to be interpreted.

HONOURABLE MR. SPEAKER: Supplementary or question No. 3?

HONOURABLE ARNHIM EUSTACE: No, I am not asking any supplementaries today. Not yet. I rise again to ask question No. 3.

3. *The Honourable Arnhim Eustace, Member of Parliament for East Kingstown and the Leader of the Opposition to ask the Honourable Prime Minister and Minister of Finance, Economic Planning, Legal Affairs and Grenadines Affairs:*

How much money has no far been disbursed to the Government of St. Vincent and the Grenadines by the Government of Venezuela for the Argyle International Airport Project.

HONOURABLE MR. SPEAKER: Question No. 3, Honourable Prime Minister.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, as of today's date, the Government of Venezuela has not directly disburse any monies to the Government of St. Vincent and the Grenadines for the Argyle International Airport Project. I have said repeatedly in this House and at other fora, and most recently at the launch of the airport contributory fund, that both President Chavez of Venezuela and former President Fidel Castro and now President Raul Castro of Cuba have pledged to assist St. Vincent and the Grenadines with the Argyle airport project, these two countries have make commitments to assist with the preliminary studies, the airport designs, that is designs of the airfield and apron and the complete earthworks.

The IADC estimates these works at USD \$103.3 million or EC \$279 million. As is evident to all of us, both countries have been following through on their commitments in all material respects; preliminary studies on the airport project began in September 2005 and was substantially completed by September 2006. During this period there were up to 14 engineers and technicians from Venezuela and Cuba here doing these studies. These studies included (a) complete topographic surveys of the area earmarked for the airport. (b) Testing the soil and rocks, and (c) wind study which is ongoing.

During the year 2006, three wind stations were set up within the airport zone to collect wind data. The Government of Venezuela provided these weather stations as a gift to the Government of St. Vincent and the Grenadines.

Similarly the Government of Venezuela provided all the equipment for a modern soil testing laboratory at Argyle as a gift to the Government of St. Vincent and the Grenadines.

Interestingly in November 2006 two vice ministers travelled from Venezuela with an agreement for me to sign to evidence the donation of the equipment for the laboratory as a gift to the Government of St. Vincent and the Grenadines. The results of all the preliminary studies were incorporated into the design work which was being done concurrently by a team of engineers from Cuba. By December 2007 the Cuban design team completed the final designs for airfield runway and handed them over to my government as a gift. The work done under the preliminary studies, the soil testing laboratory equipment, the three wind stations installed at Argyle and all the technical work by the teams which came and for the final design for the airfield are all together valued in excess of USD \$13 million. None of this was paid to my government in cash, but that is the value of one part of the work, already done by the Governments of Venezuela and Cuba.

Earthworks

As promised both Venezuela and Cuba are assisting with the earthworks. Venezuela main contribution to this partnership is to provide the money, equipment and Cuba to provide the manpower. You may recall that in May 2008 several pieces of heavy duty, heavy earth moving equipment was sent here to St. Vincent and the Grenadines by the Government of Venezuela. There were several shipments bringing together 37 pieces of heavy equipment and a variety of spars. These items cost USD\$10 million or EC \$27 million. These brand new items were brought by the Venezuelan government, and sent to us accompanied by the invoices and the bills of lading. So we know the actual cost. At present there are 42 Cubans engineers, technicians and equipment operators, working on the project alongside 85 Vincentians. These Cuban workers are being paid only a fraction of what they would normally earn for work elsewhere.

In fact, our Vincentian employees are being paid much higher wages and of course, this is understandable. The Cuban workers came here as a form of solidarity with us, in building the airport. The stipend paid to them and the funds remitted on their behalf to Cuba are only a fraction of what they would normally be paid for similar work in other parts of the world where they are on contract. But all of this has a value too. I am coming to where Venezuela is involved with the payment here.

The Government of Venezuela has agreed as part of its contribution to the earthworks stage of project to pay the wages for these Cuban workers. At present IADC is paying these wages and we fully expect an accounting to be done and a refund from the Venezuelan Government as they have repeatedly promised. I should point out here that the estimate which is given of USD \$103 million for this part which Cuba and Venezuela that is the value which is put on it, by the persons who estimate these things, but that is not what actually would be spent for instance on all the studies I have shown, nothing has been spent. But there is a value to it. Similarly, the labour which is being provided including the technical skills, very little money is being spent on them, because the arrangements which we have with the Ministry of Construction with the Cuban Government.

So I come back to this all the time, the cost of the airport would be a particular number, but what money would actually be spent in the process would be less than that number.

In addition, the Government of Venezuela has also promised to provide fuel that the IADC needs to run its heavy equipment and to pay for the material that we will need to fabricate the culvert for the Yambou River. The material is being manufactured by a Venezuelan company. It is a major problem. If I may just say this in as much as it is a little away from the question, but if I may say this by way of information, the following major engineering problems which remain, of course, you have all sorts of engineering problems, are drainage, more

drainage to the sea, from where we are seeing you have filling now, and they have all the studies done, drainage along the way, which will go into the Yambou River, and the treatment of the Yambou River, itself and then of course there is the matter, the sea defences, those are substantial engineering problems and all of them have either been studied already or in the process of being studied. And I say the material is being manufactured by a Venezuelan company. Professor Duvalier who came here just two months ago, he made a presentation to me when I was at home recuperating and also I had him come to Cabinet the following week, who is dealing with matters of the overall plan, addressed a lot of this, and coming out of that, the IADC has made all the representations in and to Venezuela because they had gone there before on precisely this question, to follow up.

At present IADC is buying fuel from VINLEC which in turn is buying fuel through the PETRO CARIBE Joint Venture Agreement. So even though the IADC is paying for the fuel this is a temporary measure, until the details are worked out between the governments of Venezuela and St. Vincent to provide the fuel as promised as a gift to the airport project.

There is one other matter I must mention. First, I would say that I am absolutely confident, all the ways in which they have been helping, that they will follow through on their commitments on the Argyle airport project. Indeed, they have recently allowed us to take \$18 million from the PETRO CARIBE Joint Venture Company for fuel sold to VINLEC that portion of the 40% for IADC. It is expected that this money of \$18 million which is currently transacted as a loan to the IADC would be treated as a grant to the Government of St. Vincent and the Grenadines by the Government of Venezuela. So they have... if I may also say, there are other monies which are coming in from other sources, I intend of the USD \$12.5 million which I am having from the CDB Policy Base Loan to allocate \$4 million of that to the airport project and the initial USD \$2 million from the Republic of Iran is on its way to St. Vincent and the Grenadines, by way of a third country that is to say where there is an embassy in Latin America towards St. Vincent and the Grenadines. The officials are dealing with it because the officials were contacted. Once the political directorate... once I have made the arrangements I do not deal with those matters, the question of the account numbers and everything, Ambassador John and the Director General of Finance and Planning deal with those matters. And that is the answer.

SUPPLEMENTARY QUESTION

HONOURABLE MR. SPEAKER: Supplementary question. He changed his mind.

HONOURABLE ARNHIM EUSTACE: Mr. Speaker, can I summarize the answer as follows, if I am accurate. That to date there is no cash contribution disbursed by the Government of Venezuela for the airport project but several contributions in kind have been made and a value assigned to those contributions? Is that a fair summary of the Prime Minister's presentation?

DR. THE HONOURABLE RALPH GONSALVES: That is a fair summary, in addition to the \$18 million from the PETRO CARIBE which I have just indicated.

HONOURABLE ARNHIM EUSTACE: Which you say might get reimbursed.

DR. THE HONOURABLE RALPH GONSALVES: Well we fully anticipate it.

HONOURABLE MR. SPEAKER: Question No. 4.

4. *Dr. the Honourable Godwin Friday, Member of Parliament for the Northern Grenadines to ask the Honourable Minister of Transport and Works:*
- a. *Why has work on the Customs Department Building in Kingstown stopped;*
 - b. *When will construction work on the project start up again; and*
 - c. *How much money has been spent so far on the construction of the building and how much more is required to complete it.*

HONOURABLE MR. SPEAKER: Honourable Minister of Transport and Works.

HONOURABLE CLAYTON BURGIN: Thank you, very much, Mr. Speaker. Mr. Speaker, the Government of St. Vincent and the Grenadines contracted Syble Construction Management Limited to reconstruct the Customs and Excise Building for the amount EC \$4,821,619.81. During construction in response to request for additional floor space to the building from the Customs Department, the Central Supplies Tenders' Board approved an increase in the contracts sum to EC \$5, 321,619.60. In January 2009, the contractor halted construction of the building pending payments on two certificates amount \$40,013.20 and \$170,307.55, however all outstanding payments have been made to the contractor but he has not resume work on this project.

The government has made numerous attempts to work resume but to no avail. As a result the government had to terminate the contract, and is now negotiating with a new contractor. And as soon as this negotiation is completed work will resume.

To date the total value of the work certified less retention payments is EC \$1,743,913.30 which amounts to 33% of the contracted works. I am obliged.

SUPPLEMENTARY QUESTION

DR. THE HONOURABLE GODWIN FRIDAY: The part of the question of how much more require to complete it I do not recall.

HONOURABLE CLAYTON BURGIN: Now, well, I do not have the exact figure, but we just minus that from the...

DR. THE HONOURABLE GODWIN FRIDAY: All right, okay, thanks.

HONOURABLE MR. SPEAKER: Question No. 5, Honourable Member for the Northern Grenadines.

5. *Dr. the Honourable Godwin Friday, Member of Parliament for the Northern Grenadines to ask the Honourable Minister of Tourism:*

In light of the dramatic decline in yachting tourism noted in the 2009 Budget and given that many people rely of the yachting industry for a living,

Will the Minister please state what if anything has been done to determine the reasons for the decline reported and what steps have been taken or will be taken in advance of the upcoming tourism season to improve the performance of this vital subsector of our tourism industry.

HONOURABLE MR. SPEAKER: As I had indicated earlier the Honourable Minister of Tourism is out of State, I think the Honourable Prime Minister would answer the question on his behalf.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, in 2008, the numbers of yacht arrivals increased marginally over 2007. In 2009 thus far, the period January to May, the yacht arrivals totalled 6,798; while the corresponding period for 2008, was 8,561.

I want having stated those facts to make this point inconsistency in the collation of the yachting data and the inability to account for all yachts visitors coming to St. Vincent and the Grenadines, due to a multiplicity of our islands, it create difficulties in monitoring and accountability in having the actual number. We have, I tell you this, and I will say it, because I want to say it a long time, depends on who you have collecting the data in some of the Grenadine islands, you get the data pretty much on time. But sometimes, you will get the data, and you would say but this data cannot be correct. They say yes, and you say look for it, and when they look for it they have it in some box, the ED forms are covered up under something else. It is a serious problem. It has been so from the time of the NDP administration and it is a problem which has persisted and therefore the collection of the data is in my opinion uneven. So that when these figures are presented, always you have to present them with a caveat.

I am appealing to people at Immigration and Customs to take this matter very seriously about the collection of the data. I am appealing those in the Ministry of Tourism and at the Tourism Authority to ensure on an ongoing basis that this thing is tract for us to get the best data possible.

Now, in the light of the challenges facing the industry, notably the globally economic recession, a fewer persons are now coming to sail this year. Indeed, a recent interview with the Compass Publication's Editor and I think, the Honourable Member for the Northern Grenadines would be aware of this, it stated that persons involved in the Yachting Industry have been so affected by the recession in the source markets, North America mainly, but other places too. Their stocks and savings have been wiped out; consequently many of them have returned home and have opted to put their boats on dry dock and return to the work force. So those are some problems which we are having. Having contracted two public relations and advertising companies mainly AIGO out of France and INDIGO out of Italy, two major yachting source markets. It is anticipated that initiatives that would be implemented by these companies will greatly assist in reversing the downward trend in yacht arrivals so far this year.

Destination: Similar efforts have been undertaken in the North American market through the use of reputable yachting and sailing publications to entice yachting visitors to our country. Complementing these efforts will

be the launch of a new tourism website within the next month. This will place greater emphasis on targeting yachting enthusiasts through interactive measures, for example direct bookings and links to local yachting companies. In addition, there will be greater collaboration between the Ministry of Tourism, Tourism Authority, Coastguard, Customs and Immigration to ensure the patrolling of the waters of the destination, and a more accurate recording of yachting visitors. The Tobago Cays Marine Park continues their efforts in monitoring yacht arrivals in the Southern Grenadines and they are doing a pretty good job in the Tobago Cays. And this will be further enhanced with the acquisition of a petrol boat under the European Union Tourism Development Project.

The Editor of the Compass Publication also noted in the interview “*Crimes against ‘Yachties’* have not been a problem for a couple years now, the last major incident having taken place at Chateaubelair, two years ago. The Compass readers and contributors have not spoken about crime lately, but they speak about environmental and red tape, Customs and Immigration issues as barriers especially the latter, Customs and Immigration issues. In the light of all of this, the Ministry of Tourism and Tourism Authority has embarked on engaging the relevant authorities in discussing these matters and I myself have done so, through my Permanent Secretary who is responsible for Customs, that is to say the Director General of Finance and Planning and I know he has dealt with them on this and so too, the Permanent Secretary for the Ministry of National Security who has dealt with the immigration people.

I want to say on the security issue, I had about a week ago I asked Commissioner of Police for me to speak to the leadership of the RRU, about this particular matter, it was before your question arose because I wanted to keep track of several security issues and very importantly this one. And the RRU in Chateaubelair and the Coastguard have done a good job, at that end where you have had some difficulties, so too, the RRU down in Union Island, and generally speaking the coastguard and the police force. I think also citizens are becoming more aware and there is a lot of community assistance in this matter. The Ministry of Tourism and the Tourism Authority they have been doing a number of interventions with the yachting business and information is being collected further to assist in other marketing and development initiatives. Efforts are being made to establish what called ‘Boat Boys Association’, persons who are involved in interfacing with some of the ‘*yachties*’ to have a better relationship. Currently, it is perceived that their actions are detrimental to the yachting sector. I am not talking about people who are involved in legitimate mainstream activities like for instance those who have their water taxis and so on, who go between the yachts and the shore, where people do not want to use their own dinkies, we are talking about some really troublesome young men who are not always very helpful to the industry. So that is the story which I have been given here in the answer to this question. But I personally have been following this up. And it is an area where we have to redouble our efforts because this is an area for more development; for more resources coming into the country through the yachting sector. No question about it. So the security issue we have been dealing with, the advertising issue, communications, all the elements are there, we have to simply continue to be proactive with these measures and also to await to see how the source market is going to develop.

HONOURABLE MR. SPEAKER: Question No. 6, Honourable Member for the Northern Grenadines.

6. *Dr. the Honourable Godwin Friday, Member of Parliament for the Northern Grenadines to ask the Honourable Prime Minister and Minister of Finance, Economic Planning, Seaports and Airports, National Security, Grenadines and Legal Affairs:*

Travel services among the Grenadines islands, especially air travel services, have become more limited in recent years, creating obstacles to internal tourism and trade:

Will the Minister review the situation and determine the cause of the problem and what practical measures might be put in place to improve the situation immediately and for the longer term.

DR. THE HONOURABLE RALPH GONSALVES: Now, Mr. Speaker, I do not accept the statement as a fact that travel services, particularly air travel services have become more limited in recent years in the Grenadines, there are some difficulties and I would indicate what we have been doing. In fact, I will show you that the statistics do not really bear out the conclusion stated in the opening section of the question.

Mr. Speaker, I want to begin with the way in which this ULP administration functions. In our manifesto of 2005, we are committed to airport development and we have delivered. We had this to say:

“Improving air access through airport development, helping to improve air links between the mainland, and the Grenadines...”

That is at page 65 of our manifesto. How have we delivered? We have built a jet airport in Canouan at a cost of \$55 million. In fact, anybody who goes there will tell you, it is one of the better airports in this region. In fact, the Director General of the OECS had to come off there, because they had some visibility problems here over a week ago when she was coming to see me, they had some visibility problems at ET Joshua and they had to go down to Canouan and stay there a little while. She said when she came out and went to the terminal building and she looked around she said that she felt lifted immediately that she was in a beautiful country, where people had made a very special effort to make her and other people coming there feel welcome. Now, that did not happen by accident. That happened by \$55 million. But first of all it comes first from the brain, from the proposals, from the policy supported by people. That is how democracy works and that is how a proactive government works.

And first thing, Mr. Speaker, you do not hear at all, from the opposition about the \$55 million airport. The good thing it is. But what you do hear from the Honourable Leader of the Opposition, though they do not give credit for it, they say what you need an international airport for, you can use Canouan. So you do not give credit for it but you see it as the alternative to the international airport. Well, there would be more time for that. And I want to see,... I love talking about airport you know, I have the page in the book where Sir James, denounced the currently leader of the New Democratic Party. He said that his dreams floundered in the Taiwan Straits. He thought you would have been wise enough to do a few things, but you did nothing. And I want to see who is going to elect a party which says that they will not complete the international airport at Argyle.

You want to see the money? What I said today shows you that I have a creative way of finding the money. Because you have been so straight jacketed in formal IMF type economics, you do not understand it. If it was easy to build, if the international airport was easy to build, it would have been built already. If it was easy to be

built it would have been built already. And we are building it. Sir James had said, at Fisherman's Day you know, he said I have \$100 million inside of my back pocket, he pointed to it. I am not saying that I have \$100 million in my back pocket. Because, Mr. Speaker, I answered only in relation to one segment of the Leader of the Opposition's question. We are at the second phase of the international airport, second kilometer starting to do work. And included in that work is preparing the ground to start the terminal building early next year for which we have USD \$27.5 million put aside. You asked me about the money, you only ask me about one part, but you had said, to us, that it is a joke, it is not starting, the equipment is not coming, when the equipment came, you and your spokesmen said it is old equipment. Every step of the way you have been anti national regarding airport development in this country, every step of the way. In fact,... Mr. Speaker, I am answering his question, because that is relevant to connection with the Grenadines too.

Mr. Speaker, he acknowledged that he lied to the country, the Leader of the Opposition in 2005 when the Taiwanese President Chen was coming here, he had a candle light march, he said that it was against poverty. A few days, before then he went in Shapses and he said, I had to confess, I really did not demonstrate against poverty, because how can he demonstrate against poverty, when there was more poverty under the NDP time. He told the people of Sharpes what he really wanted to do was to tell the Taiwanese President that they have support and they must not give us the money. Can you imagine that? And I am finding it, and every time I make any step... you want me to unsign PETRO CARIBE. You do not want me to get any money from Iran. You do not want me to get any money from the CARICOM Development Fund. Negative, negative, negative. You think people not seeing that, and it being built, it is being built before your very eyes. And what the Leader of the Opposition is suggesting as the answer is what we built in Canouan, \$55 million worth.

What I met,...

HONOURABLE MR. SPEAKER: Honourable Leader, could we... just remain to the substantive issue.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, I am answering the question. What we met at Canouan was an air strip which could not accommodate jets. And could not accommodate the investments which had been put down, and which could not have been able to accommodate the further investments in excess of \$200 million which are coming on the Southern side of Canouan where we have formed the joint venture company for the development for top of the line marina and for real estate development with the developer who are looking also for other equity partners. So when you have a runway, a small runway which cannot take jets, it is like telling me that, you have a, oh, you have a boat, a little dinky which used to go, the new boat which you have, you just built over the dinky and made it into a nice steam engine boat. I mean I really do not understand this kind of a logic. It is \$55 million it cost.

We have upgraded the Union Island Airport, Mr. Speaker, paving the runway, the parking and the apron, and also doing the sea defence there, \$4.5 million. Mr. Speaker, we have not heard one single word about that. And let me say this, we voted money in the budget for 2009 in the 2008 when I came here in December last year. Mr. Speaker, I said publicly we had the money. I had said publicly we are repairing it and it will start in January. The Ministry of Works said that they wanted more people to tender. We said okay. The Canouan Company, the Canouan CCA, had put in a bid for \$4 million for the runway, the people in Works said no, no, no, it would cost only \$3 million to do, therefore a wider tendering process. So I said well select who you want, so they join... they asked for three companies only one responded. Three additional companies, only one

responded and the one that respond said, that it will take \$6 million to do what the CCA had said they will do for \$4 million. But I am interested in openness and transparency, so I said let the process be opened. But it only meant that it was delayed for four months and in those four months they traduced me every single day on their radio station. They said what is he doing, they said he has this thing, now, when you go through all the proper processes for Accountability and transparency, so that nobody can raise any questions, and it is done beautifully, you think anybody will simple say, you think they will say yes, the fellows did a good job. No. You are asking me what we have done; well I am telling you what we have done.

We have upgraded the Bequia Airport to accommodate night landing. The project is due to be completed by end of September; it is just the solar panels to be installed. If the Honourable Member goes out there, if he just does not say in the area of Port Elizabeth, if he goes down there he will see the work which has been done, the physical work in order to have night landing.

Mr. Speaker, in late 2005 the local airlines consolidated their operations into an alliance known as Grenadines' Airways. Following this, there was a reduction in the number of flights operated as the local airlines no longer provided separate non scheduled services. The larger twin utter aircraft was also used, therefore increasing the number of seats which were available, so you do not see as many small planes flying up and down, 5-Seaters and 7-Seaters but twin utters carry 19 passengers. Uh, boy I tell you...

This allowed for a reduction of operation costs and increased efficiency in the operations. In so doing the local operators were able to stay afloat when operators in neighbouring islands such as St. Lucia, Martinique, Barbados dropped out of the business. This is in keeping with what is being done by many large airlines including British Airways, American Airlines, Air Canada and many others. Since the start of this alliance the number of flights from St. Vincent to the islands has fluctuated; where there have been increases they have been demand driven and the table shows the movement of direct, the table which I am going to quote from, show the movement of direct flights between St. Vincent and the Grenadines. Let us take from ET Joshua to Bequia. In 2008, the whole of 2008 there were 303 flights. So far, up to the end of June, you have 244 flights, that is in six months, you have 81% of what flew the whole of last year. So how could you tell me that it fall back. How could 81% of what you did in 12 months happen in six months and you say it has fallen back? From ET Joshua to Bequia I am coming to each of them. What happen Bequia is not in the Grenadines?

DR. THE HONOURABLE GODWIN FRIDAY: Mr. Speaker, the question did not just come out of my head. I am asking questions based on what people raised with me. The problem is you cannot get a flight from Bequia to Union Island. You used to be able to do that. And the issues that are raised here are important issues. I did not say nothing about from ET Joshua to Bequia.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, the Government of St. Vincent and the Grenadines is not in the airline business, flying between St. Vincent and the Grenadines and inside of the Grenadines save and except with LIAT to fly between St. Vincent and the Grenadines and externally.

The Honourable Member can start an airline to fly from Bequia to Union. We will give him a license. You have to have a demand driven situation, from ET Joshua to Canouan, for 2008 so far is 52% of the flights for the whole of last year. From ET Joshua to Mustique is 53% for the first six months for the whole of last year and for Union Island, it is just about 50% from ET Joshua to... from Bequia to ET Joshua for the first half of this year, is 85% passenger load compared to the whole of last year. From Canouan to ET Joshua 50% for the

first half of this year of the total of last year and in Mustique and Union Island, it is just about the same figure. Now, this table reflects the flights first stop over to St. Vincent. Flights for example stop in Bequia then Canouan, then Union Island are shown as flight to Bequia. So when we say we have flights from ET Joshua to Bequia, you have plane when they go to Bequia they go on to Canouan and they go on to Union Island. If you want a flight on an irregular basis, you want to chart it, charter them. If there is a demand, people will put on the flights.

I would want to know if you are asking me to subsidize the flying of people from Bequia to go to Union Island, for the flights originating there. The demand for flights between the islands is not very great as the main centre of commercial activities is in St. Vincent, people come here, but there are people who leave ET Joshua go to Bequia and then go down to Canouan and then go down to Union. Where a demand for services exist there is usually a response with an increase in supply. It must be recognized that the demand for seats outstrips the supply at certain times of the year at certain routes. And the government will continue to encourage local entrepreneurs to step in and develop this sector as this will be to the ultimate benefit of St. Vincent and the Grenadines.

Mr. Speaker, the Mustique Company has spent over \$6 million, to help to reequip and refurbish the twin utters. There are three of them. It is good for the Bequia Company, the people in Canouan also have invested with them because they have an interest in having good planes travel, if you come Canouan with a jet and you want to go to Mustique, it would be good to have a comfortable twin utter to take you over to Mustique. If you leave St. Vincent with 19 passengers, you can go to Bequia, you can go to Canouan, you can go to Union. And that is how. If there is a demand otherwise, you will have the supply of the services.

There has also been an increase in ferry service throughout the Grenadines with enhanced facility; this has been facilitated through infrastructural developments. St. Vincent and the Grenadines, Bequia, an increase of two, there are five, an increase of two in one year. St. Vincent and Mustique one, St. Vincent and the Southern Grenadines two we have provided in this ULP Government the environment to stimulate private sector investment in both air and sea transportation. Discussions are also on going at the CARICOM level with Trinidad to facilitate a fast ferry service study to be completed with the World Bank. Interesting private sector investors have approached the government and held discussions with the Port Authority but to date this fast ferry service is yet to materialize, but we are supporting it. And it is anticipated that in the not too distant future this service will be realized to further enhance travel to and from the Grenadines, so we lay the platform, we put everything in place and we await the private sector.

Mr. Speaker, I want to say this, if you permit me to read something which has come in from the Chief Executive Officer from LIAT. We are going to have from the winter season, two flights coming from San Juan. I was looking for it, I brought it down to read it.

Now, as simple as this is, it creates a difficulty because we have to... I know the facts, I do not have to read it. People coming from San Juan to Canouan for it to be economical they have to come also to St. Vincent. But, Canouan to St. Vincent, SVG Air has the route rights. If we undermine that airline, we will have a problem on the days when LIAT is not flying, so we have to make a balance. You see, this thing is not... people believe that these things are straightforward. So we say, we will take two flights coming out of San Juan, why is that important? The San Juan – Canouan is important, not for the resort so much, but for Moorings and for Tamarind

Hotel and for the Moorings Yachting Company, the same yachting you were just asking me about. So I want to beef that up, so I have to bring LIAT out from San Juan. But I have to make it profitable, so LIAT has to come here. So we have held discussions with SVG Air and they have said, they do not mind if they come in on two of the days coming up, so as long as they do not put their fares lower than their fares; so that they will not be put out of business because it is a narrow margin. Where SVG Air will make some compensations is when Mustique start to fly people from St. Vincent to Mustique, people who are working there, so that they can come back the same evening to be with their families and that will take the strain off the environment and policing and land space and all that inside of Mustique itself. It is a comprehensive thing.

If you want to talk to me about the development of air traffic in the Grenadines I do not want to give you a lecture here or a tutorial, come and sit down and talk by me, have a cup of coffee, come and ask... you ask me a simple question, because you want an answer to gallivant politically. But I am not allowing you to gallivant because I am presenting the facts what this government,... the facts relating to the performance of this government and when I present the facts, you keep quiet, you cannot gallivant, so you go mute, and you start to get very obstreperous with me. You do not have to do that. Ask the question you get the answer. I thought you all would learn by now. I am obliged.

HONOURABLE MR. SPEAKER: Question No. 7, Honourable Senator Leacock:

7. *Major the Honourable St. Clair Leacock, Opposition Senator to ask the Honourable Minister of Foreign Affairs, Commerce and Trade:*

The completion of this country's Export Strategy has been in the making for some time now. Recently there have been presentations of this strategy by government officials.

- a. Will the Honourable Minister please present this long awaited document at the Parliamentary sitting of July 30th 2009; and*
- b. Will the Honourable Minister be also kind enough to present the summary sectoral targets coming out of this strategy.*

HONOURABLE SIR LOUIS STRAKER: Thank you, Mr. Speaker. Mr. Speaker, strictly speaking this question should have been directed to the Ministry of Finance that has the administrative oversight of investments. The kind of investments that would attract exports, but certainly I would not involve myself in any evasive tactics to avoid the answering of the question. And so I will give full explanation to the Honourable Senator. The NES, which is the National Exports Strategy process, began in 2006 under a local consultant contracted by the Commonwealth Secretariat with both the public and private sectors. In November, 2006 the NIPI launched the response paper for the NES, the National Export Strategy which was a situational analysis of St. Vincent and the Grenadines. There were several visits from the International Trade Centre who were guiding us on the use of the template for the National Export Strategy, which would include drafting of the sector and cross sector strategies. In 2007, the local consultant became unavailable to complete the process and the contract with the Commonwealth Secretariat, and the process was then taken up fully by NIPI. Currently,

we have completed all of the sectors and cross sector strategies and have sent it to key stakeholders and the board of directors of NIPI for comments. After presenting it to the board of directors of the NIPI, this very month the necessary adjustments will be made and the document will then be presented to Cabinet for approval before being launched later this year. And so, Mr. Speaker, the final draft of the National Export Strategy document will be presented later to Cabinet this month, and then to the Honourable House.

The summary sectoral targets are as follows:

The National Export Strategy is a five year strategy and focuses on five main sectors.

1. Tourism
2. Agriculture
3. Fisheries
4. Creative and Cultural Industry
5. Information Communication Technology

The overall objective of the National Export Strategy is to address international competitiveness of the business community, export development and performance and specialize needs of sectors that have high export potential. I will give a summary sectoral objectives and targets.

Tourism the objective is to establish St. Vincent and the Grenadines as a destination where development is in harmony with the preservation of the social values, the natural environment and the cultural patrimony of the country. The future value chain for the tourism sector emphasis the following:

1. Event tourism
 2. Eco adventure tourism
 3. Heritage attraction
 4. Yachting
-
1. Targets, to create backward and forward linkages with other sectors to further enhance the tourism product.
 2. To increase the contribution of the tourism service by 10% over five years.
 3. To reduce the food and beverage imports from 80% to 30%.
 4. To move from mass to niche tourism
 5. To move from agency driven tourism to consumer driven tourism through ICT as an enabler. That is moving away from online bookings to virtual packages.

Agriculture, the objective is to actively create the enabling environment for the entrepreneurial drive of farmers, fisher folks and other related groups to strive to increase agro food production processing and marketing, thus increasing employment, rural income food security and foreign exchange earnings, while ensuring the efficient utilization and sustainability of the nation's natural resources. The future value chain for the agriculture sector emphasizes the following.

1. The quality and standards of the industry.
2. Chill centre and vacuum packaging for root crops, eddoes, dasheen et cetera.

3. Move towards high quality produce, with high value addition, with an emphasis on locally grown and locally processed food.

The targets are:

1. To create and strengthen the linkages with the tourism sector.
2. To increase the export of agriculture and agro process products by 10% over five years.
3. To reduce the reliance on imported foods and concentrate on self sufficiency and sustainability in locally grown and processed foods.
4. To move from company based/small farm business models to network base collaborative models such as farm coops and clustered development.

In fisheries the objective is to progressively increase the foreign exchange contributions to the GDP from the fisheries sector from 2% to 10% per annum, within the next five years by maximizing on the potential of the SVG economic exclusives zone, and create for exportation, a national variety of high quality and high value sea food products and services. The future value chain for the fisheries sector emphasizes the following

1. Strong artisanal fleet.
2. Skilled and competitive industrial fleet.
3. Programme to support the branding of SVG sea food.
4. Mechanical and electrical support services.
5. Product development and branding.
6. Quality assurance inspection packaging, processing and shipping services.
7. Data collection and analysis for prediction.

The targets are:

1. To increase the foreign exchange contributions to the GDP from fisheries from the Fisheries Sector from 2% to 10% per annum within the next five years.
2. To create and strengthen the linkages with the tourism sector.
3. To redouble the labour force in the industry from 2,500 to 5,000 in the next five years
4. To triple fish exports from 175 metric tonnes per annum and generate export earnings of approximately EC \$4 million per annum. And
5. To increase the number of skilled personnel at the high end of the labour force in this sector.

The creative and cultural industry the objective is to establish, St. Vincent and the Grenadines as a destination where development of the creative sector is in harmony with the perseveration of the cultural values and creativity of the country. The future value chain of the creative and cultural industry sector emphasizes the following:

1. Fashion and art design.
2. Music and audio visual.

And the targets are:

1. To create a professional online market place for the promotion and distribution of cultural products.
2. To create a body of professional industry managers.
3. To develop cultural and industry associations to represent the interest of the sector, a code of ethics and standards for the remuneration rates and work practice.
4. Increase local content on the airwaves, that is radio, TV, internet et cetera.
5. Expand the linkages between the creative industries, the tourism sector and the wide economy.

Information Communication Technology, ICT, the object is to exploit the opportunities available in developing ICT as engine for driving productivity across sub sectors while creating domestic spillover effects and a niche opportunities. Employing ICT as an enabler of socio economic development while accelerating the export development process in St. Vincent and the Grenadines the future value chain for the Information Communication Technology sector emphasizes the following:

1. Software development kits and tools.
2. Hardware components and gadgets.
3. Development of applications.
4. Assembly of PCs et cetera.
5. Software development and customizing.
6. Retail of software and hardware.

The targets are:

1. To create relevant legislative framework to permit e-commerce, data protection, digital signature, et cetera.
2. Create high speed local internet backbone.
3. Create affordable internet bandwidth.
4. Create programmes to encourage universal adoption of internet link computers in homes and businesses that is stimulation of domestic demand for ICT.
5. Develop a collaborative framework between the financial and business sectors to facilitate the development of the ICT sector.
6. To increase the amount of knowledge-workers with high end technical skills by 50% and
7. To implement inter operability standards for the ICT sector.

Those are the various areas that would be involved in the national exports sectors with their value added chain and the targets.

HONOURABLE MR. SPEAKER: Having had that fulsome answer, I think... question No. 8, I do not think there are no supplementary.

HONOURABLE ST. CLAIR LEACOCK: Mr. Speaker, I cannot proceed to question number 8 unless I tender an apology to the Honourable Minister, because I really interpret literally that trade matters were connected with his ministry, and in fact in the national budget exports strategy did appear under your portfolio and therein is where I made my mistake. So my apologies are so tendered.

8. *Major the Honourable St. Clair Leacock, Opposition Senator to ask the Honourable Minister of Transport and Works:*

Recently the shade trees at the Peace Memorial Hall area which provided much comfort to commuters were unfortunately cut down. Notwithstanding the existence of a bus shed too many of the growing crowd of commuters is left to the elements.

How soon can some relief be given to these commuters who get their bus at the Peace Memorial Hall area.

HONOURABLE MR. SPEAKER: Honourable Minister of Transport and Works.

HONOURABLE CLAYTON BURGIN: Thank you, very much, Mr. Speaker. Mr. Speaker, it is my understanding that the Forestry Department in their wisdom removed the tree for safety purposes. The roots I gathered were weakened and the tree was already broken and could have fallen down any time. I am also told that the Forestry Department in conjunction with the Ministry of Culture will put in some fast growing shade trees in its place. So it was fortunate, Mr. Speaker, not unfortunate in this regard.

Mr. Speaker, the Ministry of Works has received an approved request from the National Commercial Bank to install several bus sheds along the highways and major roads and locations identified for this bus sheds are: Bus stop adjacent to UWI, opposite the Peace Memorial Hall, bus stop at entrance to ET Joshua Airport that is the entrance when you are going out of town. Well that is the only entrance, the other one is the exit. Fountain opposite Rampy's Bridge Bar on the Viggie Highway, near Dr. Rao's Clinic at Arnos Vale, and the engineers and preparing designs and estimates and these will be completed by mid August, around this week for submission to the NCB who will finance the project. Unfortunately I did not send any up in Central.

9. *Major the Honourable St. Clair Leacock, Opposition Senator to ask the Honourable Prime Minister and Minister of Finance, National Security, Legal and Grenadines Affairs:*

There is a group of officers called Traffic Wardens who provide a good service on the streets of Kingstown. Their badges identify them as members of the Royal St. Vincent and the Grenadines Police Force. These officers however do not carry Force numbers.

a. Are these Traffic Wardens in fact members of the Royal St. Vincent and the Grenadines Police Force; and

b. Do they now enjoy all the protection and privileges of the regular Traffic Police.

HONOURABLE MR. SPEAKER: Honourable Prime Minister, Minister of National Security.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, first of all,...

HONOURABLE ST. CLAIR LEACOCK: Before he answers this question I do not want you to be choking under the weight of this question.

DR. THE HONOURABLE RALPH GONSALVES: Actually, I was sucking on a mint to facilitate the answering of questions and to prepare my voice, as always I am scientific. It is a long day so that... so no disrespect, we can suck a mint in the House, but I cannot suck the mint while I am answering you, thus I had to swallow it.

Mr. Speaker, I want to first of all, to note that these Traffic Wardens, did not exist prior to the advent of the ULP administration and Senator Leacock has identified them as providing a good service on the streets of Kingstown. There are other persons who may say an excellent service, but I am prepared to go along with good. After all let us understand it, Mr. Speaker, the Honourable Leader of the Opposition which is part of the beef of Frank Da Silva his friend,...

HONOURABLE ARNHIM EUSTACE: You supposed to know my friends now.

DR. THE HONOURABLE RALPH GONSALVES: He is a member of the New Democratic Party as you are, so I assume he is a friend and a brother, though I could understand why you do not like him, because he seems to be advancing the cause of Sir James. You are mortally afraid of Sir James, coming back and take his property that is to say the New Democratic Party.

HONOURABLE ARNHIM EUSTACE: You ah right.

DR. THE HONOURABLE RALPH GONSALVES: I ah right? You know he can walk in at any convention and take it back. He can take it back. In fact, Mr. Speaker, Senator Leacock is going to be happier with Sir James, though he had said that Sir James was interested only in concrete and not people. It was a serious indictment.

HONOURABLE ST. CLAIR LEACOCK: Mr. Speaker, I know we long pass the lunch hour and this present the Honourable Prime Minister some trouble as there is an imbalance between his lunch and his thought process. But to attribute to me the statements put on Sir James Mitchell is an untruth. I know earlier this week we spoke about him having absolute privileges in the House, but to speak absolute lies, and untruths, thank you for the correction, absolute untruths is beyond the Prime Minister and I would much prefer him going back to his mint if he is going to proceed along this path.

DR. THE HONOURABLE RALPH GONSALVES: Well, Mr. Speaker, I will have my Research Assistant find it in the Hansard, because it is there. And it will be presented. So I am glad you have taken this position.

HONOURABLE MR. SPEAKER: So you will stick to the question now.

DR. THE HONOURABLE RALPH GONSALVES: Yes, Mr. Speaker. Mr. Speaker, but I mean I do not... [Interjection] I am not withdrawing it, because you said it.

HONOURABLE MR. SPEAKER: He said he will produce the Hansard.

DR. THE HONOURABLE RALPH GONSALVES: You said it. I am not joking about it.

HONOURABLE MR. SPEAKER: We would allow him to proceed.

HONOURABLE ST. CLAIR LEACOCK: And until such time he can so produce it, Mr. Speaker, he cannot allow a statement of untruth to stand, Mr. Speaker. So why is he been given the privilege?

DR. THE HONOURABLE RALPH GONSALVES: It is not untruth.

HONOURABLE MR. SPEAKER: We would allow him to prove the statement, if he cannot prove it then we ask him to... he cannot prove it now, I do not think he can. But could we go back to the question.

DR. THE HONOURABLE RALPH GONSALVES: I am stating it and I can tell you when you said it and it is up to the tribunal to agree whether I am a witness of truth or not.

Now, I thought, Mr. Speaker, in as much as he got up, he was going to say yes, he would prefer to be with Sir James because the Honourable Leader of the Opposition did not want him, you know. It is three times, he was denied. He had to go the last time with Dougie De Freitas to beg the leader to run him. The leader never wanted to run him.

HONOURABLE MR. SPEAKER: Could we stick to the question? Honourable Prime Minister?

DR. THE HONOURABLE RALPH GONSALVES: You think I did not know that? He is silent now. Mr. Speaker, I will answer the question.

HONOURABLE MR. SPEAKER: Could we go to the question now? Maybe you could take that up with him at some other point.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, the Traffic Wardens are members of the Auxiliary Police Force and they do not carry force numbers. In accordance with section 63 (1) of the Police Act Chapter 280 of the Revised Laws of St. Vincent and the Grenadines, Traffic Wardens who are auxiliaries have and exercise and enjoy the same powers, authorities, advantages and immunities as a member of the force, and when call out to service be liable to the same duties and responsibilities, provided of course that when an auxiliary officer and therefore a Traffic Warden is exercising the powers and authorities conferred by the said Act, that person shall declare himself or herself to be a member of the Auxiliary Police Force unless at the time, he or she is wearing the auxiliary police uniform, so that you can see.

What happens Mr. Speaker is that because they are under the suzerainty of the police force in the exercise of their functions as Traffic Wardens they have a badge which connects them with the Police Force but they are not members of the Police Force and that is the legal position.

HONOURABLE MR. SPEAKER: Question 10 Honourable Senator Cummings.

10. *The Honourable Daniel Cummings (Opposition Senator), to ask the Honourable Minister of Transport and Works:*

Given the high level of indebtedness facing this institution, the paucity of trained professional staff and the economic downturn facing the country;

Would the Honourable Minister please say what is the justification for the relatively large expenditure for rental for the new office in Kingstown for BRAGSA (formerly GESCO), when there is an existing office at Cane Hall.

HONOURABLE CLAYTON BURGIN: Mr. Speaker, let us get the record straight, for persons who are here and listening and looking on television BRAGSA is not formerly GESCO, BRAGSA is the Authority consisting of the Buildings and Roads Division and GESCO. No, it is not semantic, because it is not formerly GESCO, BRAGSA is not GESCO, so it is not semantics, you debated here in this House, all of us, the Act is there for you to see what it is, so do not say it is semantic, because people out there would think that GESCO is BRAGSA.

Mr. Speaker, the property in Cane Hall is inadequate in a number of respects, it has insufficient room to house all the staff required for former GESCO functions and the functions and personnel required for the Roads and Building Maintenance Divisions. It should be noted that the office of the Chief Engineer will remain and as such there would not be adequate space remaining in the building that housed the Ministry of Transport and Works. It is advantageous and desirable to have persons core locate as much as possible.

Also the Cane Hall facility office accommodation is in very poor condition and require significant improvements. Renting is not considered an indefinite long term solution, and the three year operational plan for the organization proposes to commence plans for the establishment of a new headquarters facility at the Cane Hall compound in the next three years as there are sufficient quantities of lands available to accommodate such a building. The Dean's Building area, Mr. Speaker, is 4,487 square feet costing \$15,000.00 per month, VAT inclusive, \$3.34 per square foot it is worked out to. The Moussa Building area 2,241 square feet, costing \$6,723.00 per month, VAT inclusive, and cost \$3.00 per square foot. Thank you, very much, Mr. Speaker.

HONOURABLE MR. SPEAKER: Question 11, Honourable Senator Cummings.

11. *The Honourable Daniel Cummings (Opposition Senator), to ask the Honourable Minister of Housing Informal Human Settlements, Physical Planning, Lands and Surveys and Local Government:*

a. *Would the Honourable Minister please state what is his government's policy on the removal of sand from the beaches of St. Vincent and the Grenadines; and*

b. *When would mining of sand by the government and others be halted at the Brighton Beach next o the solid waste facility.*

HONOURABLE MR. SPEAKER: The Honourable Minister of Transport and Works will rightly answer this question.

HONOURABLE CLAYTON BURGIN: Thank you, very much, Mr. Speaker. Mr. Speaker, the policy and removal of sand from the beaches is guided by government's own understanding and deep appreciation of the

need for environmental protection and preservation even as the ever increasing demands of the Housing and construction sectors and general economic growth and development continue to provide challenges.

In May of 2002, Cabinet took several policy decisions in relation to sand mining from the beaches. Among these were the designation of GESCO then as the sole agency to control and manage the removal of sand from the beaches, BRAGSA has now taken over all the operations of GESCO and with these the sand mining authority.

Further to this in August of 2003 the policy was strengthened by the decision to import on stock pile sand and use sand mine at Brighton at Diamond solely for residential purposes. Mining of sand at Brighton would continue for some time to come but within a controlled environment even as government explore the options available to supply sand at a reasonable cost. The alternative to import sand from Guyana and Martinique has encountered some logistical difficulties since the initial shipments. This range from the mode of transportation to off loading and storage issues government will be addressing these issues in the upcoming year so as to resume the importation and reduce the dependence on Brighton and Diamond. Another alternative being considered is production of construction sand at Rabacca; this obviously will involve outlaying capital investment and conducting the necessary tests to ensure that the required quality is produced. Right now we are using sand from Rabacca for some form of construction but not for the finer finishes on buildings et cetera. Much obliged, Mr. Speaker.

HONOURABLE MR. SPEAKER: Question 12, Honourable Senator Cummings.

12. *The Honourable Daniel Cummings (Opposition Senator), to ask the Honourable Minister of Transport and Works:*

- a. *Would the Honourable Minister please state how many of the former workers at GESCO are now working with BRAGSA; AND*
- b. *Similarly, how many of those formerly in the Ministry of Works who worked in Road Maintenance and other areas transferred to BRAGSA, have been employed by BRAGSA.*

HONOURABLE CLAYTON BURGIN: Mr. Speaker, GESCO ceases to exist on the 1st of July, 2009 when the Roads, Buildings and General Services Authority Act was proclaimed. Despite this fact operations continued, and to date all former employees of GESCO are still employed under the umbrella of BRAGSA. This has continued for all of July and would continue well into August. The persons have been notified of pending redundancies but to date, nobody has been terminated, details of persons and final numbers still have not been finalized, it is proposed to sever formally all employees and then rehire those that are appropriate into the new organization.

However, it should be noted that a significant portion of the staff will be retained and rehired by BRAGSA. To date, Mr. Speaker, the other part of the question no employee has been transferred to BRAGSA. Interviews have been conducted with some of the staff that is within the Ministry of Transport and Works, with a few to consideration for a possible transfer to BRAGSA. Neither has any final decision been made regarding individuals nor has anybody been informed or offered a position with the Authority, BRAGSA. Much obliged, Mr. Speaker.

SUPPLEMENTARY QUESTION

HONOURABLE MR. SPEAKER: Supplementary question?

HONOURABLE DANIEL CUMMINGS: Mr. Speaker, I wonder if the Minister... he said significant numbers and he said the staff has been written to, I wonder if he can give a clearer enunciation of perhaps in average percentages, as to how many of these workers of formerly GESCO, who would no longer be employed?

HONOURABLE CLAYTON BURGIN: Mr. Speaker, I thought I said that no final details have been done, you know, the number is still being looked at and what I said that GESCO has 90 workers at the moment and as I said, a significant portion of that staff would remain but we have not... No, I cannot give roughly, I told you that the Authority is looking at it, so I cannot give you roughly. It is a work in progress.

HONOURABLE MR. SPEAKER: All right that brings us to end of question time. Honourable Prime Minister I suspect that we will suspend for lunch. But before you do so, I want to invoke 12 (5).

MOTION ON HOURS' OF SITTING

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

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

**Question put and agreed to.
Motion moved and passed.**

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, we normally take a two hour lunch break. So I beg to move that this Honourable House do stand suspended until 4:00 p.m.

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

**Question put and agreed to.
Suspension: 2:00 p.m.
Resumed at 4:10 p.m.**

HONOURABLE MR. SPEAKER: Pray be seated.

ORDERS OF THE DAY

2009 SUPPLEMENTARY ESTIMATES FOR ST. VINCENT AND THE GRENADINES

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, I beg to move the following motion standing in my name.

WHEREAS Section 70 (3) of the Constitution of Saint Vincent and the Grenadines provides for the laying of a supplementary estimate before the House if in respect of any financial year it is found that the amount appropriated by the appropriation law to any purpose is insufficient or that a need has arisen for expenditure for a purpose to which no amount has been appropriated by that law; or that any moneys have been expended for any purpose in excess of the amount appropriated to that purpose by the appropriation law or for a purpose to which no amount has been appropriated by that law.

AND WHEREAS a Supplementary Estimate for the financial year ending 2009 has been prepared and laid in the House of Assembly;

BE IT RESOLVED, that this Honourable House do approve the Supplementary Estimate for the financial year ending 2009.

I beg to so move.

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

HONOURABLE MR. SPEAKER: The motion having been moved and seconded, I will just read the operative part:

BE IT RESOLVED, that this Honourable House do approve the Supplementary Estimate for the financial year ending 2009. The motion is now for debate.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, may I crave your indulgence on your concurrence because the Honourable Leader of the Opposition has concurred with the particular procedure which I would like us to adopt as we usually do on the supplementary estimate, to debate the motion for the Supplementary Estimate and the Supplementary Appropriation Bill at one and the same time, so that we do not duplicate given the nature of the Supplementary Estimate.

Accordingly, therefore, Mr. Speaker, Honourable Members I beg to move a bill for an act to sanction payments from the consolidated fund in excess of the Appropriation Act 2008 on certain services relating to the ending of the 31st December, 2009.

The object of this bill is to sanction payments from the Consolidated Fund in excess of the Appropriation Act 2008, on certain services relating to the year ending 31st December, 2009.

I beg to move the first reading of this Bill.

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 its stages at today's sitting and passed.

HONOURABLE SIR LOUIS STRAKER: 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 that a bill for an Act to sanction payments from the Consolidated Fund in excess of the Appropriation Act 2008 on certain services related to the ending of the 31st day of December, be read a second time.

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

Question put and agreed to.

HONOURABLE MR. SPEAKER: Debate on the bill and the motion.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, the Supplementary Estimate and the Appropriation Bill were passed by the Finance Committee on 11th of August. In relation to the Supplementary Estimate, there was one amendment, Mr. Speaker, at page 3 for the programme objectives and it is the establishment of an Authority to manage and supervise the building and maintenance of roads, bridges, buildings, stone crushing, quarrying and construction operations and other related services of St. Vincent and the Grenadines. The words 'roads and bridges' were inadvertently left out in the programme objectives. And they were inserted at the Finance Committee. Mr. Speaker, and as I have indicated the minutes of the Finance Committee held on the 11th of August, as required by the Standing Orders have been laid before this Honourable House this morning.

Mr. Speaker, the Roads Buildings and General Services Authority Act, No. 23 of 2008, was proclaimed on the 1st of July, 2009. Thereby, legally bringing the new authority into existence however, the development work for the new authority began a long time ago. First with the establishment, the development and passing of the bill, following which the Cabinet establish a transition committee headed by the Minister of Transport and Works, to guide the process of operating BRAGSA, that is Bridges Roads And General Services Authority. This stage of the work has been in progress, Mr. Speaker, for about a year or more. Significant work was required to develop the new model and bring BRAGSA to its present stage of development. BRAGSA commenced operations on July, 1st, 2009. The date when the bill came into effect and an immense amount of work was required to be done to establish the prerequisites to commence operations. The Authority is now ready to begin to implement its responsibilities with transparencies, efficiency, effectiveness and professionalism, as its major watch words, delivering a significantly improved service to the Government and People of St. Vincent and the Grenadines.

Mr. Speaker, for many years now, successive administrations wanted to do something about the Building and Roads Division at the Ministry of Works. There have been several instances of tinkering here and there changing personnel here and there, but by and large since before independence there has been an informed critique of the way the Buildings and Roads Divisions in Public Works are functioned. What we have had happening particularly after internal self government an interesting shift in the focus of the highly skilled persons in the Ministry of Works where they began to interface more with the bigger capital projects. Those financed by grants from outside, or soft loans from multilateral agencies, CDB, World Bank, grants out of the European Union or other countries, where the very granting of those loans or the making of the grants,

accompanied a solid group of technical people coming in as consultants; so what you had happening over the years, particularly, since internal self government in 1969, though it commenced even before then, but particularly since then. Is that the ministry has been very good at working with these agencies from overseas and with technical persons from overseas to do big projects but they are not so good at maintaining the buildings and the roads, and to do other smaller projects which were financed either by local revenue or by some commercial loans.

Now this, analysis which I am giving in a nutshell, was sharpened over the years by my experience as Prime Minister and Minister of Finance and as a consequence, it was decided that we would establish an independent authority less bound by some rules of the public service, but nevertheless transparent in its operations but an entity which can move swifter and which can give better value for money. I made the point here in the Standing Committee on Finance.

There are some individuals for instance, Senior and Junior Road Supervisors, they do not possess entry qualifications for the Public Service, that is to say five O' Levels including English, or CXC's they have some understanding about measuring something, and some kinds of technical expertise, some far better than others, because you have a very uneven quality among such persons. Some of them quite good and some of them are awful. Everybody knows that, but you can see the problem if you have archaic systems, slow and bureaucratic and some personnel are not up to the task that you can have all kinds of administrative slow down and more have less than optimal quality work being done, and they felt confident, many persons who acted in this manner, that nothing can be done with them because they were made and they are Public Servants who have security of tenure and the only circumstances under which persons who have security of tenure can be addressed in a restructuring is if they go into voluntary separation, you take the best over to the new entity and because it is a restructuring and their jobs are restructured out of existence well then the rules permit that you can provide them with their benefits; you may try and get them jobs somewhere else but some of them would have difficulties continuing in their existing establishment.

And then I say the pace, I mean you go to the Ministry of Works, one place tell you 'no', the paper is not upstairs it is downstairs. 'No' it is not downstairs it gone upstairs, it is sideways, to the right to the left inside out, behind here, oh, it is Mary who was dealing with that she gone on holidays, I do not know what she put it. Elizabeth has taken time off and has gone for lunch, or she gone and take she mammy to hospital. And then you have... I know some members are smiling... but...No I do not mean the Elizabeth who is there, she is my very good friend, I do not mean that Elizabeth at all, she is my very good friend, I have known her for a very long time, since she was working at the Registry. And a lot of people do not like her because she does very good work. I should use Beatrice then. You know, and then it supposed to go up to the Treasury. Yes, I sent it up to the Treasury; 'no' it cannot go to the Treasury yet because a number has to be put on it. It gone here there, up Finance, it has not gone Finance yet, or it is at Finance or it supposed to come back, and when you are finished, you feel like you are reading the famous play known as "She Stoops to Conquer" when Marlo, she is travelling, and he is asking for directions and they send him hither and thither and yond.

And then on the ground you have a piece of work being measured, you wonder how the measurement take place and the valuation, and the supervision and quality of the work. In fact, among the most unpopular people in this country, in any Public Service, are some of the people who work in Public Works. Some. Now, by saying this, I expect to get some criticism and they would say all the people in Public Works, that is not so at all, you have a

lot of very good people there. But here is a sufficient number who the good people know mashes up the system and the system has become sclerotic, is that not a word from sclerosis, the tightening, the blocking up of the arteries, is that not what it means from medical science, yes. I am in the science, it becomes sclerotic. So, we have to do something about it. My only regret is that we did not do something about it earlier and that it has taken longer than I have anticipated because of some of the challenges along the way.

There are people who tell me, huh, you have an election about a year away from now, huh, you have some people here, you think they are easy, they are going to malign you from now until 'Thy Kingdom Come'. Not about the real thing, but on falsehood because if they talk about the real things what they are getting on with, some of them in Public Works, they would not be able to speak about those things properly, but they find a proxy reason to attack Ralph.

Well, I am prepared for it, my back is broad enough, I am satisfied that what we are doing, we have done with BRAGSA with the law is the right thing, we are doing the correct thing for the people of St. Vincent and the Grenadines so that we can get the roads and buildings repaired more and quicker. We have 61 primary schools, and about 28, 29 secondary schools now, maybe we have reach 30 yet Honourable... it is about 28, 29 and we have the Honourable Minister of Health about 40 clinics plus the hospitals, district hospitals, I think actually 37, 38 clinics and then the various, the Milton Cato Memorial Hospital and the district hospitals, rural hospitals and so forth, in addition to the clinics, and then you have the psychiatric hospital, you have the Lewis Punnet Home. And then all these government buildings of one kind or the other, they are to be repaired. You spend millions of dollars building schools but there is no proper system of repairs. There has to be a proper system of repair of our buildings, the system is antiquated and unprofessional.

A school teacher who does not know about any building has to send in a form which must have been devised in the 1900's, before the Second World War probably for all you know. And this thing has been happening for years, through Colonialism, through the Joshua Governments, the Cato Governments, the Mitchell Governments, the Eustace Governments and the early stages of my administration. What happen nobody can bell this cat? Nobody can change it? No. We must be able to change it, must be able to change it and that is what we have set out to do. I am not saying that we are not going to have difficulties and challenges you know, but I am satisfied that the people in this country want change in that regard, and politician get bad name. I stop take bad name for people who would not do their work and for systems that has sclerotic. I do not want to take it anymore. It is overbearing, and it is wrong. A teacher has to full out a form, the facie board is not thing, something with the toilet,... teachers understand these things? The defect sheet they call it the defect sheet, the famous defect sheet.

I think the Honourable Leader of the Opposition knows what I am talking about, he was Minister of Finance for 2^{1/2} years, he must have been frustrated with this, and Prime Minister for 5 months, and working as Director General of Finance and Planning, he must have been frustrated about this and wondering how this thing can be changed. We have to find a way how to change it.

Now, so, we set up BRAGSA, we passed the law and we demarcated the responsibilities and the Chief Engineer will still be there at the Ministry of Works, the engineering staff and technical people and some other people to look at quality, what BRAGSA is doing, to interface still with the agencies with the big projects. There will still be certain staff members at Ministry but then there are some who will have no real function to perform

there if they are not transferred to BRAGSA, and not everybody going over to BRAGSA. I know the Honourable Senator Cummings this morning wanting to find the precise number who are moving but those numbers are not yet ready, it is a work in progress and I know hopefully very soon before the end of this month, certainly by the beginning of September when we intend for it to be operationalized fully rather than just taking over for the moment GESCO and making some changes there; because GESCO went out of existence on July 1st in accordance with the law.

So that is the frame and the justification, and I am satisfied that we will be able to spend less money and get more and better quality work. And if we spend the same money, we will even get, not arithmetically, but geometrically, more and better work done. So we have the structures right and we have to have the people right. And that is one of the things that we have sought to do.

As part of the work of the transition committee, the consulting firm of FDL Consult Inc. out of St. Lucia was engaged to assist with primarily among other things the development and creation of proposed structure of the new organization. To this end FDL Consult was required to investigate the present levels of operations of the Ministry of Transport and Works and at GESCO, with a view to fully understanding the issues affecting the performance of both entities. The Firm was engaged in November 2008, submitted this report for final report for approval in June 2009.

I want to say, Mr. Speaker, Honourable Members, as you would expect when you hire consultants they have some big tomes, I had to go through them. Everybody in Cabinet had to go through them, because we brought them on more than one occasion to Cabinet, after they had work with the transition committee. If I may say parenthetically they were so impressed with their concept and our ideas in this regard that they want to hawk the model through the region because they are going to make a lot of money with this consultation because they have come and they have worked with one here, because every single country in this region have these problems, but nobody is brave enough to bell the cat. Just like how nobody was brave enough to build Rabacca Bridge, or to build the international airport or to have the Education Revolution or to go for the Cross Country Road or to go for Constitutional Reform. These are big ticket items. And I do not believe as a Prime Minister believes in an administration of things. I believe in effecting meaningful change for the better.

Simultaneously, as we engage in this work with the consultant and the transition committee, the Manager of Finance and the Chief Executive Officer who were recruited, the Manager of Finance is Miss Suzanne Samuel whom I have been advised is the daughter of Fred Providence the former Director of Audit, and you can say they have accounting in their blood. And Mr. Brian George, the Chief Executive Officer, who is an engineer and manager of the highest quality, not just in St. Vincent but the rest of the Caribbean. And Mr. Speaker, you have given Mr. George a board, headed by a Chairman who is a brilliant businessman, knowledgeable in finance, practical, knows the country well, hard worker, who had done such excellent work at the National Commercial Bank and brought about so many important changes for the better, Mr. Desmond Morgan, I ask him if he will kindly leave the prestigious work at the National Commercial Bank and take on this task for me, I say this one is going to require real creativity and real hard work to get this done, and he said yes. And I want to thank him. We also have hired Mr. Speaker, Ms. Phyllis James, the HR Manager who worked with VINLEC and who has had experience in that broad field.

Mr. Speaker, the new organizational structure is kind of a hybrid, you remember the bill, it comprises elements of various contemporary and traditional models and also based on structures and similar kinds of statutory orientation. We have sought to fashion something, to suit the circumstances.

Indeed, as I was thought since my days doing biology, in secondary schools, I had to remind Kastine Quashie about it, do you remember when you were teaching me and all of us biology and also same thing with Sabats Baptiste of blessed memory, remember always boys, structure follows function. If a function is to be performed a structure has to evolve to perform that function. Well in the case public administration it has to be the creating of a particular structure. The underlined principle informing the design of the structure is optimization.

BRAGSA will be led by a Chief Executive Officer and divided into four departments for the purpose of executing his responsibilities, namely infrastructure services, finance, human resources and administration and commercial operations. This structure should provide for effective and efficient delivery of services primarily in the areas of roads and building maintenance while facilitating the continuation of services previously provided by GESCO. Upon the proclamation of the Act on the 1st of July, 2009, GESCO legally cease to exist and BRAGSA assume responsibilities for all assets and liabilities of the now defunct corporation known as GESCO, the deaths of GESCO were taken over by the Central Government, we have assume the responsibility so as not to burden the new organization or hinder its early development, and this includes what GESCO owed to the Bank and also GESCO payables. BRAGSA continued operations and services with all of the existing staff from GESCO from the first of July, to the current time, no real changes have been made as yet to the structure so that the staff, they were notified of the restructuring, they were told what was taking place and were also informed that they would remain employed until they are formally severed sometime in late August, late this month. The Commercial Technical and Allied Workers Union have been kept abreast of the situation and they have been involved fully since July 1st, keeping with the policy decision to sever all the workers at GESCO; even those to be rehired. The total cost of severing the employees is approximately \$910,000.00. Arrangements are being made for the full payment of severance and some enhanced redundancy benefits as well as the outstanding payables so that BRAGSA can reestablish its credit with suppliers and have a fresh start, from the GESCO side.

Propose staffing of BRAGSA. Staffing for the new organization would come from the three avenues. First persons who are presently employed in the Ministry of Transport and Works that would be a pool from which we will draw. Secondly, individuals previously employed by GESCO and we will draw from that pool and new applicants external to the ministry and GESCO. This exercise has been taking a huge amount of time and effort and it has been given very special attention to ensure that the right individuals who are identified for the organization that they are competent and committed to the team's goal of delivering top quality service to the peoples of St. Vincent and the Grenadines.

Let me say this, there are, some people and it is inevitable when this is happening and I want to address it honestly and up front, some people they may feel that because, they wear a red jersey, that that entitles them to be transferred from GESCO, or Public Works to BRAGSA. No, an assessment is made objectively and independently.

Similarly, yellow jerseys, I want to assure them that they are of competence and they are several of them who are of competence, they will have every opportunity to be in BRAGSA. I want to make sure that we have good

staffing arrangements so that when we are doing our work for the people and to spend people's money that it is done well. Well, I can already hear that if some people do not go over to BRAGSA, the chorus of victimization is going to be sung. I am not getting involved in choosing people going over. The people who are going over, they have been given assessments from the Ministry by the relevant persons. Assessments have been made independently for those in GESCO too, and those who are being recruited from outside, are being assessed independently by Brian George and his group from BRAGSA.

Mr. Speaker, the authority I have been advised, BRAGSA would commence operations with a staff in the region of about 250 persons; that number might be slightly up or slightly down but that is in the ballpark I have been told. And that number is envisaged to be able to deliver adequately the requisite level of service. Of course, there would be additions as the organization develops. But it is not anticipated, that the monthly paid staff would increase by more than the number of about 15. Why clearly the daily paid temporary staff would always fluctuate depending on the work load. The daily paid staff would be on sometimes on some project and they would be off sometimes.

What I have been advised is that there is a number in the region of about 110 which would be monthly paid and the remainder would be fortnightly paid. These numbers as I say relate to a work in progress; and I want colleagues in this Honourable House to appreciate that they cannot hold me bound with a 120 rather than 110, or it is 105 rather than 110 monthly paid, because it is a work in progress. New salary scales have been developed and annual increases would be performance base. Comparisons indicated that hitherto there were approximately 371 persons employed in the Roads and Buildings Department in the Ministry of Works of which 51 were monthly paid, 320 were fortnightly paid and the daily paid staff was found to be a combination of permanent and temporary staff. In the case of GESCO previous levels of staffing indicated that 96 persons were formally employed with the organization. That is what I have been advised. I am giving these numbers, ... I know there was a question this morning asking for detailed numbers; again I want to say that these numbers are indicative except to say those which are listed as being on the books already. And we can see who are in the Roads and Buildings Division by looking at the estimates. That is an easy thing to look at.

I want to address the issue of the staff from the Ministry of Transport and Works. I have been advised that the management of BRAGSA would wish to take in the region of about 120, 130 members of staff from the Ministry of Works, from the Roads and Buildings Maintenance Division to BRAGSA. These persons shall be transferred under the Public Officers Transfer to Undertakings Act, so as to maintain their accumulative benefits, such as pension. This figure encompasses month and daily paid staff and shall form a substantial portion core of the organization. Persons not being transferred to BRAGSA shall remain at the Ministry and would be advised accordingly of their status consequent upon the restructuring. I want to say again that those persons who are transferred will maintain their cumulative benefits such as pension. And they would be transferred under the Public Officers Transfer to Undertakings Act. Those who are not transferred to BRAGSA, who would remain at the Ministry they will be advised accordingly of their status consequent upon the restructuring.

Some obviously would be kept at the Ministry because there are functions to be performed at the Ministry still and some clearly will have to embrace the issue of the voluntary separation. Persons transferred would occupy positions in the new organization commensurate with competence, qualification and experience. In this regard their duties, responsibilities and job description in general may vary from what presently obtains. Clearly high

standards and levels of performance will be expected. As I indicated from GESCO the staff from GESCO, there are 96 at the moment. The decision has been taken to reemploy 55 persons that were formally employed with GESCO; maybe 58, 60; the numbers, those would be finalized.

All members of staff previously employed by GESCO would be severed from the organization even those who would be rehired by BRAGSA. So we are taking them on afresh. We pay you your severance pay, those who are going will go and we will hope to find jobs for some of them, we will do retraining for those; others of course, some would be interested in starting out on their own businesses, some would be interested in going migrating. There are all different options. And when you have restructuring you have these options. The numbers are not so large that we cannot comfortably deal with them in one way or the other without hardship. Again I want to emphasize that the persons include daily and monthly paid members of staff, and persons transferred from GESCO would occupy positions in the new organization, commensurate with competence, qualifications and experience.

I want Mr. Speaker, Honourable Members to appreciate the extent of the task we have undertaken. It is a most serious one, but fixing this problem is in the people's interest. And good leadership is necessary and desirable in fixing this problem.

Then new candidates and external applications BRAGSA has invited applications from the general public locally for all proposed positions within the new organization. In cases where appropriate persons could not be identified from the existing staff pool, credible applicants were interviewed and potential candidates identified and recommended. These persons will be made official offers during the month of August to commence employment in September. There was a shortage of appropriate applicants for the position of civil engineer, internal auditor, and qualified professional accountants. In the case of civil engineers the decision has been taken to target and recruit many of the returning graduates fresh from university, persons of quality and provide them with invaluable on the job training. Indeed, it is not unknown in some other state enterprises, that this has been done and done successfully. I believe that Mr. George has the background and experience and aptitude to take on this kind of a mentoring task.

BRAGSA is expected to hit the ground running and as such plans, propose staffing levels and budget have been developed with this notion. Priorities and activities over the first four months of full operations would include:

1. Ensuring with some level of efficiency responsive service and proper maintenance of the public infrastructure and government buildings.
2. Immediate reorganization and restructuring of the functions and services previously provided by GESCO at Cane Hall, Rabacca and Brighton Diamond, to improve financial returns, services and transparency.
3. Commence branding of the new organization and informing and engaging all stakeholders within government and the general public that would benefit from the product and services to be provided by BRAGSA.

Base on these priorities and activities a budget for the four month period that is September 1st to December 31st 2009 has been developed. The figures indicate a total expenditure for this period of \$11.272 million with revenues from commercial activities, totaling \$1.312 million; Central Government will make the necessary

provisions to fund the shortfall of \$49.96 million. That is why we have these supplementary estimates and supplementary Appropriation Bill for \$9,960,087.61, so that BRAGSA can satisfy its mandate, budget in process would immediately commence for the fiscal year 2010.

Mr. Speaker, attach to the supplementary Estimates is a basic budgeted income and expenditure sheet. I want to say, Mr. Speaker that BRAGSA will also do other work, for example this morning when I pointed out some monies allocated for bridges, I think \$1.1 million for school repairs of \$750,000.00; for some road works of \$550,000.00; some other repairs, specific things which have been budgeted in the estimates. These we will expect that BRAGSA will do. But we have to ensure that it is on a sound administrative footing. I should point out; it does not mean that BRAGSA would actually have all the staff members to do these things and to cut out private contractors, that is not the idea at all. BRAGSA would do some of the things directly in the same way that Housing and Land Corporation does some but also hire people. You take for instance, you are repairing schools, and you have to people contracted to do these repairs, but it is the question of the budgeting for those repairs, the supervision for those repairs, the quality of the repairs which are done.

Mr. Speaker, I have had experience since I am Prime Minister, and I have seen it before I am Prime Minister. A person is going to do two stories, an addition to a government building, a school. They know a second story is coming but the first story is not properly reinforced. As though another set of works are not coming on top. So what happens? When you start the second phase what do you see that there is additional money to put more columns on the building on the bottom floor. And the people who are supposed to do these things are supposed to be skilled local contractors, supervised by skilled people from the Ministry. But obviously the supervision of the works not properly done, obviously, the planning of the work is not properly done; the instructions are not properly followed, not sufficient direction and guidance.

This is what I mean and I am seeing this happen so many times, when I was in Opposition, I have seen bridges build by bakers. I have seen roads by persons who have subsequently become talk show host, without a piece of steel in it. I have seen back walls which have been erected by somebody, I do not know, by just somebody in a village, all he is, is a supporter of then government, he gets one or two persons, he picks them up, like a pick up side, he builds a wall and then the wall is broken down. You have no weeping hole, I mean, nobody supervises anything, no steel is in. I mean, it is awful.

And I am making this plea for those who may come to criticize BRAGSA I say to them, this is first time in the history of this country that a government has sought to address this problem, and we must give it a chance. I know in this matter there is a political down side. Some people who were accustomed to doing nothing and drawing money would be very upset, because there are some people who believe that the government is a permanent welfare state, that they get money for nothing. It is only that their welfare payment is bigger than that for the elderly folks. We cannot have a government run like this. We cannot have a state administration run like this. And this has gone on as I have said, since colonial times but it has accelerated after internal self government because of the amount of work which has been done once people have become in charge of their destiny and rightly that we have more work being done.

Mr. Speaker, the numbers are there the final figure \$9,960,087.61; as I say this does not mean that that is all the money that BRAGSA would spend or supervise, but that is what is in the supplementary estimate. There are other monies which will go to it in relation specific projects. I want to say this, that while certain kinds of work,

the Tenders Board and the Cabinet, once the numbers are approved by the Ministry of Works as being competitive which BRAGSA will get. But BRAGSA will also have to demonstrate a certain capacity where it has to bid competitively for certain other kinds of works; in the way in which Housing and Land Development Corporation has had to do in the case of the putting in of the infrastructure facilities up at Harmony Hall. I hope that I have answered many of the questions which were raised in the Select Committee.

I have come to this Honourable House and to the people of this country with honesty, about what the challenges are and how we can resolve them. I hope that we have bipartisan support for this particular measure. Let us give it a chance. Let us see how it works. It has to be superior to what currently exist, given the structures we have put in place, given the state of that law which we passed. In fact I believe when we have passed the law, I believed we had bipartisan support in this House on that law. It is a question now, how we implement that law and pan this thing out. This is now the proof of the pudding will be really in the eating. I am obliged.

HONOURABLE MR. SPEAKER: Further debate on the bill Honourable Leader of the Opposition?

HONOURABLE ARNHIM EUSTACE: Mr. Speaker, I have listened very carefully to the presentation by the Honourable Prime Minister in relation to these supplementary estimates, the operations for BRAGSA. It is fairly common Mr. Speaker, in the history of the Public Service that there are many areas of inefficiency. And I agree that while there are some persons who function very well, there are those who may not do so. So setting up a statutory corporation Mr. Speaker, in an effort to improve efficiency and to have a much more commercially orientation to government activity is not new; in fact it is very common; and BRAGSA is yet another example of a statutory corporation being set up to deal with efficiencies. As seen, we have several of them in St. Vincent and the Grenadines. So the proposal to have a statutory corporation to me is not something that I have a difficulty with.

In the end, Mr. Speaker, it boils down to how efficiently the said corporation functions. The efficiency of its board, the efficiency of its management and their abilities to get out of the workforce the type of work that is desired, and in a cost effective manner. So while I understand the presentation of the Prime Minister in terms of the structure and the need always to examine the structure in relation to the functions that have to be performed, to me it is not new.

Mr. Speaker, my concern in relation to this requires me to seek certain clarifications from the government, in this case the Prime Minister. And first clarification I wish to seek is whether BRAGSA budgeted income and expenditure for a period 1st of September, to the 31st of December 2009 is the only or the real estimate? Only estimate or the real estimate? For instance we are as at September 1st we would be four months away from end of the financial year, and there would have been provision in the estimates to carry out maintenance of buildings, to do roads and so forth and to what extent are these reflected in this budget. To what extent does that four months is reflected in this budget? Is this in addition to the amount of money provided when the budget is passed at the end of the year 2008? And that to me is very fundamental, Mr. Speaker, because it would mean that the heading whether it is income or expenditure for the period September 1st to 31st December would have to reflect those allocations that have been made last December with respect to 2009.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, my honourable friend has given way. I will read the note to me from the officials, which I had asked the same question. This amount of \$9.96 million would be partially financed by an estimated savings of \$2.75 million derived from the uncommitted balances

under the listed Public Works maintenance votes. The \$9.96 million, this amount would be partially financed by estimated savings of \$2.75 million derived from the uncommitted balances under the listed Public Works maintenance votes, building maintenance, 40.95 million; road maintenance \$1.5 million, river defence maintenance \$300,000.00; that is the number which is given. As I said earlier in my presentation, the additional numbers which we have now allocated to the Ministry which we expect to be transferred to them for work to be done which like for instance that I pointed out from the monies for the budget support from the European Union, this morning.

HONOURABLE ARNHIM EUSTACE: If there are existing savings and those savings are reflected why is \$9.9 million needed? If there are savings of two point something million, I would expect in that case that the supplementary estimates will be about \$7 million. I would not expect it to be \$9.9 million if there are savings made from uncommitted balances.

DR. THE HONOURABLE RALPH GONSALVES: The shortfall is \$9.96 million. The actual amount is eleven point, which I indicated, in my statement to you \$11.272 million or thereabouts.

HONOURABLE ARNHIM EUSTACE: The rest is made up of not of a shortfall but of income derived from commercial activities. So I cannot accept that all.

DR. THE HONOURABLE RALPH GONSALVES: Okay.

HONOURABLE ARNHIM EUSTACE: So if there are uncommitted balances you also have the income, which will reduce the extent of the supplementary amounts that are needed. So I cannot in fact accept, and that is why I ask the question as to whether the statement BRAGSA budgeted income and expenditure reflects the uncommitted balances. Those allocations which are in the existing budget, national budget which have not yet been used, and therefore if the supplementary is in excess of that, then that is a different matter then this table here would have to change substantially. So, Mr. Speaker, that is one issue which I have a concern about.

I note, Mr. Speaker, also that while the figures in respect of the budget for the four month period are set out in some details I see no reference whatsoever for severance payments for workers in the Ministry of Transport who may be involved in BRAGSA.

DR. THE HONOURABLE RALPH GONSALVES: Central Government will pay.

HONOURABLE ARNHIM EUSTACE: So the Central Government is going to pay the severance for those persons who are going over to BRAGSA and those who will not go over to BRAGSA. So there will be need for another set of supplementary Estimates to deal with that particular matter. Is this the understanding?

DR. THE HONOURABLE RALPH GONSALVES: Yes. We will deal with that by way of a special warrant that will come subsequently as a supplementary estimate. But this is for BRAGSA.

HONOURABLE ARNHIM EUSTACE: So what is the rationalization for doing it in respect of GESCO, for providing the amounts and not for the other workers.

DR. THE HONOURABLE RALPH GONSALVES: Because those have not yet been identified fully.

HONOURABLE ARNHIM EUSTACE: Well so is the case for GESCO an estimation has been made as to the number of persons who will come over from GESCO, it might not be exact to the last person but so is the case, because you had a rough estimate of 250 persons with respect to BRAGSA, that BRAGSA is taking on. So why is that not part of the supplementary estimates that we have before us.

Mr. Speaker, this morning in the presentation of the fiscal situation of our country the Prime Minister painted a picture which indicated from his perspective that we were basically holding our own. I have my own view on that, but that was what was presented. And it is matters like these that we are discussing here this evening that gives me cause for concern as to what the real and true situation is on the ground. It is easy to say now that those persons will be dealt with by the Central Government but the reality is that BRAGSA would become fully operational on the 1st of September, which is a couple weeks from now. Why I still want to know why we cannot build in the amount in these supplementary estimates with respect to those persons who are from the Ministry of Transport and Works but who were not part of GESCO. Because we would owe them that money from the 1st of September, and it would have to be paid, so why cannot we make an estimate, I do not expect as you said that you would be very exact but you do have an indication of how many persons are likely to be involved, and if it is four or five different. It does not really make any difference because you would have made a provision with respect to the supplementary estimates which would cover them and give them the confidence that they would in fact be covered, and this is a matter of concern.

These supplementary estimates should reflect the entire situation with respect to those persons who are to be severed; it should reflect both for GESCO and it should reflect also the situation with respect to those who are not staff members of GESCO, but staff members of the Ministry of Transport and Works. You see, Mr. Speaker, it is only then we will get a true picture of BRAGSA budgeted income and expenditure, and I would really like to know before I give approval to this what that situation is in reality; instead of coming back here next month with another set of supplementary estimates to deal with those persons who were not employed by GESCO but rather by the Ministry of Works and I would expect that the numbers in those cases would be larger than what we have now.

One other matter, on which I would seek some clarification on, Mr. Speaker, has to do with those persons who are Civil Servants and are pensionable. It is said that their benefits will be maintained. I would expect that there would be some reflection in this budget with respect to the payments that are required for those persons, or are we going to see that as part of the national budget; or that is going to be dealt with later. Because we do have in Roman II of our budget every year, we do have the funds which are there for those persons to make sure we maintain their pensions. So I would like to know whether this document here in any way reflects that situation with respect to those persons.

You see this figure looks to me to be low in terms of what is being budgeted for income and budgeted for particularly before expenditure with respect to the next four months. And I would really like to have those matters clarified before giving support for this. I also assume and I think the Prime Minister has confirmed that, that government itself will take over the debts of GESCO and therefore there would be no need to include GESCO's debt/overdraft or whatever it is in this statement of budgeted income and expenditure, but certainly I would like to know what is happening to the staff which I refer to and whether this statement here, effectively reflect the expenditure of BRAGSA for the next four months and I am quite surprise to hear that the uncommitted allocations or balances to the end of December 2004 with respect to the Ministry of Transport and

Works is as low as \$2 million. Because you have not even got the allocation for the fourth quarter yet, and you have at least one month for the third quarter, so therefore I would have expected that the uncommitted balances as reflected in the allocations that have been approved would have been reflected more fully in this document. Much obliged, Mr. Speaker.

HONOURABLE MR. SPEAKER: Thank you. Further debate? Senator Francis.

HONOURABLE JULIAN FRANCIS: Mr. Chairman, Mr. Speaker, sorry, we have spent too much time in these Chambers in Select Committee, Mr. Speaker, so you must forgive us today.

Mr. Speaker, the matter of BRAGSA, as to the questions raised by the Leader of the Opposition some real and I supposed if there is not a clear understanding by him of what is happening then one could raise and the Prime Minister as Minister of Finance has dealt with one. But I wish to go to the matter of severance of employees and I wish to refer the Leader of the Opposition if he has in his position the Act that was passed for the Roads, Buildings and General Services Authority in Section 16, appointment of staff; it is not everyone who works in Roads and Buildings Department, remember BRAGSA is taking over the responsibility of the Roads Department, and the Buildings Department and GESCO. Inside of the Buildings Department is a sizeable vote for watchmen, security which BRAGSA is not taking over. That matter of security stays with the Ministry of Transport and Works. In other words, BRAGSA would not be providing the security for government buildings, so that sizable portion of that vote will still be with the Ministry of Transport and Works.

You will find also that the Estimates that if you reflected on the estimates that the came for the year 2008 salaries for the Ministry of Works and salaries for Roads Department and so on are there. There are many of those officers who are not coming over to BRAGSA whose salaries will remain under the budget of the Ministry of Transport and Works. That again is sizable figure. You will see in the estimates provided for BRAGSA a figure for salaries, which is separate and distinct from the salaries, budgeted under the Ministry of Transport and Works. With regards to the severance of the employees the section under the Act that deals with that transfer of officers and preservation of pension.

The Public Service Commission may at the request of the authority and subject to such conditions as it may impose at anytime, permit and give effect to the transfer of an officer from Public Service to the authority and from the authority to the Public Service subject to the terms and conditions of an Act that exist, the Public Officers transferred to Undertakings Act. The following shall apply to a person who immediately prior to the commencement of this Act was employed in a none pensionable post, in the Public Service and attached to the General Equipment and Services Corporation.

So the severance payment for GESCO employees is included in the estimates that are presented to you, because BRAGSA is immediately taking over all the employees of GESCO and according to law, as a layman, I can say it this way that the person who take over the undertaking is normally the person responsible for paying the severance pay. Like government took over Orange Hill Estates, government was responsible for paying severance pay. Like National Properties taking over Marketing Board, National Properties was responsible for paying the severance pay for the employees of Marketing Board, formally worked with Marketing Board.

It is difficult at this time to assess what the cost to the government will be for those non pensionable officers who remain with the Ministry of Transport and Works. Because as you know in the Government Service there are persons with 19, 20, 25, 26 years service, in the government who are not pensionable and they are called Daily Paid employees for 25 years. Some get paid by the month, but they are still not pensionable. They are the employees of the government, but there is no commitment in the Act for BRAGSA to take over those employees. If you would recall earlier this year BRAGSA advertised in all the newspapers all its positions that are available; in other words the positions established at BRAGSA other than those at GESCO are free and open to everybody in St. Vincent and the Grenadines, including members of the staff and Roads Buildings Division and that is an important factor in this debate. So there is still an assessment of staff going on, as the Prime Minister said only three members of staff, the CEO, the Financial Comptroller and the Humans Resource Manager, the HR person, that have been taken over.

There will be a phased employment of persons. An assessment is still going on of the persons who are currently employed and BRAGSA has in its files application from some of those persons. If those persons who are taking over are pensionable we go according to Section 16 of the Act, they are transferred under the conditions of the Public Officers Transferred to Undertaking Act.

I will say this, that there was a discussion, because when persons are transferred to a statutory body from Central Government it is expected that 25% is paid by that statutory body to the pension fund for public servants who have been transferred to the statutory body. But there is not a public servant who makes a contribution to that fund and discussions are ongoing at the Cabinet level as to how we can deal with that accounting wise, rather than to make that a burden on BRAGSA for those public officers who are being transferred. But, they will be guaranteed their rights and pensions under the Act and under the Public Officers Transferred to Undertakings Act. So a lot of words, but I understand the concern and I thought that would clear it up somewhat.

Mr. Speaker, I think that there was a question sometime on the matter of the rental aspect for BRAGSA seems heavy. But if you are taking the staff that the Prime Minister refers to for BRAGSA, you have to have the space for it. There has never been sufficient space inside of the buildings of the Ministry of Transport and Works to House the staff of the Public Works Department.

In fact, there has never been a long room as we call it, in the business, a work room for the Road Supervisors to come in and do their work, like the supervisors in the building Division also they have a little bit more space and they are afforded a desk or two that they share depending on when they come out of the field. So space for that kind of persons, Mr. Speaker, I will give you the facts BRAGSA is renting 6,728 square feet of floor space, and the rent being paid by BRAGSA is better than anywhere else in town. They are getting a deal on the two buildings. Because rental of office space in Kingstown now, range from \$3.75 to \$5.75 unfurnished. If you are fully furnished it goes beyond \$5.75 sometimes. These buildings one was prepared the top floor which is 2241 square feet in one building, in one building, that is being rented at \$3.00 square foot. And 4487 square feet in one building in four floors, a small foot print with the fourth floor really being a half that will be filled in and completed to have a board room; that is at \$3.34, one is an older building, and one is a brand new building that we are moving into, so the average works out to about \$3.17 per square foot which is not an overpayment of the value considering the cost of rental for office space in Kingstown.

Mr. Speaker, there is no doubt in our mind that BRAGSA, the implementation of BRAGSA and the coming on stream of BRAGSA or the birth of BRAGSA is overdue. The Prime Minister, I do not want to repeat his positions on it but having been a former Minister of Transport and Works and having been dealt with both those divisions of the government, in fact, very early in the administration a discussion between the Prime Minister and I we agreed on the establishment of this statutory body and I would have love to have seen this three or four years ago when I was still Minister of Works. But my colleague Minister Burgin has gotten the benefit of it, and I am sure that with the staff that we are getting there. And the process that is taking place in the employment of staff that he will get quite and efficient operation.

I recall in a discussion in these Chambers during the discussion on the estimates the wonderful works that were said by members of the opposition about the new CEO for BRAGSA Mr. Brian George and I must also say publicly the wonderful words of praise that were lauded on the general manager of the Housing and Land Development Corporation and both members on the opposition benches at the time, lauded both individuals as very capable, efficient and well trained individuals. [Interjection] No, that was last week when we were discussing, while you were on holidays in Canada, Sir, well wherever you were. States, England, they said you went on party business, that is what your senator said. They said you were absent from the House because you were representing the party so I immediately guessed that you may have gone to Canada.

The green party,... well, Senator... it is strange how that yellow came about. I remember at one time that party, Prime Minister had absolutely no colour. You would recall that, but the colours of the flag. You know, and one day the gold appeared or yellow, as it is said. And again, Honourable Senator Leacock gave an explanation as to how that colour came on stream. There were a lot of explanations in your absence Leader of the Opposition. And I wish that you will get copies of the discussion in the House here. And you would have heard when the 'cat' is away, you know, what happens. And it in no way relates on their level with the story that you try to give to this Parliament about one time, about meeting me in Kentucky and so on and what not, what I speak is the absolute truth. And the recordings can confirm the statements I am making here.

So, Mr. Speaker, I thought that I should make my contribution in that area where the staffing is concerned. I believe that the \$9 million plus what is in the estimates... because you see, what could happen, Mr. Speaker, what is left in the estimates of the Ministry of Transport and Works could be paid over to BRAGSA by way of a special warrant, that money already having been approved by the Parliament this will be supplemental to that, and I believe that is what is happening, so that the unspent votes inside of Roads and Buildings, eventually will be transferred to BRAGSA by way of special warrants from the Ministry of works to the Minister of Finance and getting that approved. Leader of the Opposition I believe that that is the intention, and I would have loved to have seen a bigger figure for BRAGSA and I believe that there will be a lot of works between now and the end of the year.

I want to say, Mr. Speaker, that at one time in this country just a couple of months ago, there was a big hurrah about the amount of potholes in this country, particularly so on the main highways, but there have been complete silence, since Carnival because a special committee was established including the Minister of Works to oversee this and we implemented a programme of works that helped to alleviate that problem. So you will see that we put gangs on the roads, Murray Village, that has been there for so long, the Senators who drive over that hill frequently, particularly after hours, it is easier to drive their now, so you do not drop in the potholes. And all of our Senators drive through there very frequently. And that was held up for a particular reason

because of an administrative problem with the landing of asphalt at the Port, and the duty and a debate and discussion with the Customs and one of the contractors. But that is now settled.

The secondary roads in the country I would admit are still in fairly bad conditions and these will be given attention in the ensuing months. BRAGSA as we say will take effect from the first of September and by then the full staff should be in place to have it running come the 1st of September. I thank you, very much, Mr. Speaker.

HONOURABLE MR. SPEAKER: Senator Cummings.

HONOURABLE DANIEL CUMMINGS: Thank you, Mr. Speaker. Mr. Speaker, as I got up to speak awhile ago and the Honourable Senator Francis rose in front of me, in a manner I am glad that I gave way to him, because he has imposed a rather lighthearted approach on a subject in my mind which is very serious; really, really, very serious. And Mr. Speaker, I want to begin today by first of all agreeing with the Honourable Senator Francis and the Prime Minister as it relates to some of the senior staff being recruited for this important task.

I want to send just a minute or so on a young man name Brian George. Mr. Speaker, I am on record criticizing a number of engineers in this country who after having gone and study do not seem to exhibit the kind of determination and will and integrity that is necessary for professionalism. I have watch Brian George, a relatively young man under the auspices of the CWSA grow into someone who really defines his youthful nature, he exhibits characteristics of maturity. Very sharp young man as well, and he has shown adaptability and an understanding of the issues. Often times engineers are thrown in situations where they have to deal with issues far beyond where we are trained. At another forum, Mr. Speaker, I said, I find it very difficult for any government to someone better equip to take on such a task. And I wish that young man all the very best in his endeavours. Indeed, I have pledged to him and I am very serious with this in whatever way I can to continue to offer him whatever little experience I may have and guidance in ensuring that the job that I am convinced that he is prepared to undertake well, should bring some blessings to this country.

Having said that Mr. Speaker, I want to throw up what I consider some red flags. And Mr. Speaker, if I may before I do so put this into context. As you know I had the privilege of serving as a utility manager in this country for a number of years. I have also had the privilege to serve in a number of regional institutions of renown. In fact, I recently had the pleasure of advising a regional government on the establishment of a statutory body. I looked at the attempts being made by this government to manage a component of the work being done by the Ministry of Transport and Works, and I am very disappointment, I believe in this Parliament I have made very brief comments on BRAGSA, but the substantive discussion on the bill, I was inadvertently away, I was not able to participate in that debate. I believe it is a work in progress, it has potential but it has in my mind a number of starting problems, and I believe it is very important to get it right at the very beginning.

I want to start first with the financial formulation surrounding BRAGSA, and I wish it was not such a bragging name. There is nothing to brag about yet. It is a lot of hard work. But Mr. Speaker, if my understand is right, the government is writing off the former debts of GESCO which I believe is substantial, I am very pleased with that, but I would not want the entity to be saddled at this stage with that. Writing it off in my mind is the correct way to go. Now, as I understand it there are not many revenues streams direct, but there are revenue streams. And I believe that these are more than sufficient to cover heads and several other aspects of the operations of

BRAGSA. But, Mr. Speaker, I would like to see some financial discipline in this new entity, so that five, ten years from now we do not have another mountain overdraft in another state corporation.

What I mean? If BRAGSA is going to do work for the government, it should be required to do it in a financially manageable way. The idea is not for BRAGSA, bragging, that is not a nice acronym for me, but the idea is not for it to be profit-driven but it should at least cover its main costs and not find itself sinking. There are unique opportunities for example for a private sector type involvement in the sand mining, and I am not talking about the sea, I am talking about Rabacca. There is tremendous potential for private sector involvement that can bring significant revenue streams from that kind of operation and help a number of builders in this country, and whatever work BRAGSA does it should be a requirement that it does it in a cost efficient manner, so that if government says look, we close down this inefficient section, you do not want to just hand over the money and have the same kinds of problems, schools complaining, buildings falling down and cost continues to go up. There must be a system in place.

Mr. Speaker, I have heard it said here that there are problems in the government service. I want to make an observation, when the CWSA started its transition, everything I asked the staff to do, I was told, it cannot be done Sir, it has never been done that way. And I simple say well do it, now this way. And it is amazing how many things get caught in the system. Everybody then who operated that institution just like the Public Service.

Mr. Speaker, if BRAGSA is going to have to depend on the dragnet that is the Ministry of Finance, it is not going to be efficient. What I mean? If BRAGSA has to do a project, and this is the cost, give BRAGSA the money and let it do the work. Do not let it have to wait on the Director General of Finance to get money. You cannot do that. It is not going to work. That is one of the problems facing all the agencies of government. I want to go further... and I am not charging anybody for these things you know, Mr. Speaker,... I speak, I am part of this Vincentian society. But it is very clear to me, that this is not just a stricture for BRAGSA or whatever you create, every line ministry must manage its finances better than the central terminator that you have in the Ministry of Finance. You cannot ask people to be accountable for performance and results and you have titanic controlling all the means of ensuring that you can perform.

This is a stricture. I understand the need for central financing and all of that, but you have within the various departments a level of financing staff that would help to determine the prioritization of expenditure within the controls of the hierarchical Ministry of Finance, that is one of the big strictures in this country for getting anything done. I am not criticizing the Ministry of Finance staff; they have their work to do, that is the system within which they work. But I am saying if you want to get results, you have to look at that arrangement. It is designed to frustrate people and often times; unfortunately, the Ministry does not have the resources to go into the Ministry to understand why people need certain things now, and why you cannot do it in the way they want to have it done. But that is an aside, Mr. Speaker. But I think it is germane to this discussion because BRAGSA is going to face the same serious problems and would not be able to deliver if it has to through the same Ministry of Finance stricture. It cannot work, will not. The Ministry of Education would still have the same complaints with the schools. It would not work.

Mr. Speaker, one gets the impression that having created BRAGS, the problems in the Ministry of Works by and large resolved. Mr. Speaker, in fact, you know, one of the problems I have with giving BRAGSA this supposing authority, if I am going to repair roads, I have responsibility for repairing roads, if those roads are not

built properly, the drains are not in place and so forth, my work would be band-aid, there is a necessity here for us to look at strengthening, revamping if you want the Ministry of Works and perhaps, I am hoping Mr. Speaker, that this is the next natural step, because it is a... the engineers and the managers and the architects and all the people and I hear comments about foreign consultants and engineers and so forth.

They are good and I have always said, the foreign consultants, the foreign engineers, the foreign engineers are only as good as you have good quality counterparts to work with them. We have seen it here, and again the only experience I have is the CWSA, look at the kinds of projects executed, the solid waste projects, the best in the OECS, the water projects, why, the staff of that institution have been involved in every single step of the way, no consultant comes in and just dictates what is to be done, because there are local interest, local concerns which must be taken up on board, and moreover, the supervision of the work, especially when it is contracted out, that is why the Ministry of Works fail, that is why the Ministry of Works fail the biggest. You can give out contracts but if you do not have supervision and I am talking constant supervision.

I hear the Honourable Senator talks about offices for the field staff. That is the problem. Those field supervisors, each one does not need an office. Ninety percent of the time should be in the fields. That is where they should be working. One office can accommodate six field supervisors because they do not have to be there all the time. It is those kinds of issues that we need to pay attention to. People who are paid to do a job must be accountable. Why do you want to be a road supervisor and spend a whole day in an air conditioned office? No wonder my vehicle gets mash up like that. They do not know what the problems are.

Mr. Speaker, bridges et cetera, I do not know you know, I do not know you know, I visited St. Mary's RC School recently, and they have done something on their sewage system, and I went across the bridge to look at the back of the Victoria Park and I almost cried somebody is spending a tremendous amount of money, and is constructing a very ugly wall. I challenge all of you to go and look at it. A very ugly wall, a waste of resource, and creating a channel between the St. Mary's Church and the Park that is almost I think it is wider than that side of the wall to there, a channel in the most, Mr. Speaker, I have been saying before and I hope for God's sake that this is one of the areas that drainage and these kinds of things would come under good supervision, because with any engineering input, you could have taken a lot less money and done a thorough job. Build a water course that would allow the park to have more than a road at its back, that will not turn the water over to church and the school to erode its foundation but it has to be done in conjunction with that and it will have nice lined channel which we can even put a layer on top in certain areas and it extends, so you have additional parking and storage area and that kind of thing.

Mr. Speaker, what I am saying... there is a need and this applies whether it is Town Board, Ministry of Works or whoever, often times people feel to think that everybody is an engineer, and when you say you are a water engineer they look at you and they say well, must be some kind of a plumber. But there is a serious need for drainage engineers in this country. I have been talking about the lining of the north and south river, it is not a joke. You can create a lot of valuable land in the city, and beautify the place. I challenge anybody to go and look at that back of that park, my heart bled; it is a disgrace, a lot of money, tremendous amount of steel of all kind, all over the place like somebody got steel for free, but clearly no engineering input into that work. And it is not good.

I hope that BRAGSA... and Mr. Speaker, in discussion with my friend and colleague, Mr. Brian George, the recruitment of the staff to work with him is real huge, huge challenge. And in a way it is a blessing, I would suggest, it is a big blessing that some of the people in the Ministry are not seeing to want to go to that entity. Because you would want to create a new culture, and perhaps as suggested by recruiting folks straight out of university, and training them, it could help, but in the meantime I would want to suggest, that would not be sufficient because as a CEO, it cannot be considered an engineer and so he needs to have at least one competent senior engineer on board, to work along with him. Often times people miss this point.

As a CEO, with all the engineering skills you have, you do not have time to practice engineering. You cannot be considered one of the engineers on the team. So you need a good experienced senior engineer to work with the juniors. I really want to... easier said than done. No, the point I am making here, Mr. Speaker, sometime we have to... we have always functioned as the training ground through which... Mr. Speaker, I want to make a point about the privatization, I really do not like what I consider a sort of incestuous relationship as I am hearing being proposed between the ministries and BRAGSA. What I mean? Mr. Speaker, let me what is it I am trying to say before I am misquoted.

HONOURABLE JULIAN FRANCIS: If I may just have clarification from the Honourable Senator, is he saying that the establishment of BRAGSA is privatization. You were saying that one of the problems about privatization?

HONOURABLE DANIEL CUMMINGS: I am coming to that. Do not worry I will get to that point eventually. I could not be in a court of law; I would be called to order all the time, Mr. Speaker. But my point would be made. I tell you. Mr. Speaker, one of the things I like to see for a lot of the people who would not be employed by BRAGSA from former GESCO and from the Ministry of Works, if some incentive given to them. Sometimes people think that people are worthless and do not have abilities you know. Give them the incentives to set up private companies, give them the help needed to set up private companies to undertake these work under controlled circumstances.

In other words, like any other contractor and they have to perform. And guarantee you, I am not asking, I guarantee you that they will surprise you. Give them a chance. Some you cannot help you know, there will always be those, there are some you cannot help, but there are certain kinds of work that always better done in the private domain. Always. And especially if you make it competitive, what you are going to do, is to encourage more small contractors, they will have to qualify, give them training, if them the necessary assistance. Do not think just because people behave in particular way they do not have skills. They may have had somebody who is frustrating them, and again I am talking from experience. Some of the most troublesome employees that I met when I was a manager of CWSA are today, some of the best employees in that institution. But then they were worst, the most troublesome. Create the environment for them, empower them and give them an opportunity, you would be surprised. And what I mean is that I would rather see... and again you see, this would only work... whether you do it from the Ministry of Works, this is one of the things I have conceptually with what is happening with BRAGSA you know. Because if the Ministry of Works was properly streamlined with all its supervision staff and so on, this is how this work should be done, have the engineers and the technicians trained and monitored and give out the work. The schools would be happier, you know.

There are lots of people who are out there unemployed, lot of skilled artisans who would be happy to do the thing. So Mr. Speaker, I was talking about an incestuous relationship, the point I am making, I do not want to stifle the private sector initiative. I rather see opportunities for companies' small and medium size to get on board and bid. I do not like this idea of one arm of government trying to compete with another arm of government. It is a joke. It is really is a joke. I remember being in a position in this country and trying to give out a contract, trying to get a contract organized and it is amazing how easy it is for information on valid estimate to slip to persons in the private sector. So you could imagine how other agencies can get it. What I mean, you really want to allow genuine competition and between different agencies of government, I do not see that as competition. I honestly cannot begin to contemplate it as being real. You know. I want to see us encourage the private sector in the construction industry. There are I know a lot of very competent people out there who can do the work for government. Medium size, small, petite, they can do it, encourage more of that, and leave your smaller staff to do the critical work of designing, supervising and controlling. Making sure that people fall in line. And that is the critical area. Not to have a set of staff whom you have to provide transportation for and they complaining with union and all of that. Government should not be in that. You know. No you do not need that. If you pay and train your employees properly, you will not need union. You will not need union. But the point I am making, government should be involved at another level for greater efficiency and the private sector can take care of these things.

Mr. Speaker, as said before, what I find amazing is that every time you are dealing a subject which is serious you get these frivolous comments. This is not a matter for joking, and I am sorry, my disposition does not allow me to jive, when you are dealing with a subject of this kind. This is serious business. And the comments I make here, Mr. Speaker, are given not for show. I do not have to be a consultant to the government. I do not have to, but I am giving these my own ideas, freely and frankly, with the intention that some of them would be at least tried. Because you do not always have to reinvent the wheel, you know. There are people in this country and I am not talking just about myself. There are lots of people here in the Public Service as well who are doing extremely well; there is the potential in our people. All I am saying is, I have raised these red flags, because I want us to carefully consider how we go forward and make sure BRAGSA does not become another GESCO.

Mr. Speaker, finally, one of the things that GESCO used to do, has to do with a set of derelict vehicles and heavy equipment and so forth. And it seems to me, that if you get 30% of the time these things are operational, it is good. I do not believe that in this day and age that government ought to be involved in this kind of operation. It is another area that I honestly believe the private sector can best deal with.

Again, you may not be able to find a garage on the island that can take on this work, and I am not suggesting necessarily that you spread it all over the place but I am saying that you should have it as part of the plan to divest that responsibility from BRAGSA, by gradually allowing some of the same staff you have doing this thing, similarly as I suggested for the carpenters and masons et cetera, give them an opportunity to start their own private company, with some financial and other assistance and allow them to compete with other private sector companies for the maintenance of government vehicles. If you do the books, the real books you will see that it is a very, very expensive undertaking to maintain government vehicles. Extremely expensive and highly inefficient to have so many hours of wasted time, down time, et cetera. Again you have mechanical engineers and skilled people with special skills and training in these areas who can assist in recruiting and training and

again unfortunately our technical college has failed us immensely in this area. You do not seem to think that people coming out of the primary schools and secondary schools should be trained as mechanics.

Unfortunately, when you have to use heavy equipment in this country, see how many of the operators are from outside. We need to encourage our youngsters coming out of the secondary schools to undertake training in heavy equipment, maintenance and operations. I refer earlier, Mr. Speaker, to some of the new equipments that is in this country, even the solid waste truck is a computerized piece of equipment now and maintenance issues are tremendous, because not all of us are aware enough of the need to have highly specialized training.

In short then, Mr. Speaker, while I am excited about this prospect, while I have every confidence in some of the senior staff of the new entity, as I said I raised a number of red flags and leave it for what it is worth.

HONOURABLE MR. SPEAKER: I recognize you Senator.

HONOURABLE ST. CLAIR LEACOCK: Mr. Speaker, Honourable Members, let me first confess that I really did not intent to speak on this piece of legislation or to the motion. Mr. Speaker, having listened to the presentation of the Honourable Prime Minister I feel obliged to make some observations and comments which may be useful to the birth; I just hope it is not still born of BRAGSA.

Mr. Speaker, I really do not want to return to the earlier meeting this week when we spoke at the Finance Committee because I accept the explanation given then by the Prime Minister in terms of the format of how the estimates are presented. But I would say this Mr. Speaker, that instinctively when I opened this document earlier this week, and I saw the mismatch between the cover design and the contents, just that alone you know, I jumped back and the more I looked at it, is the more I am satisfied and I have been able to do a little bit of digging now that the document just simply does not pass muster. The arithmetic does not add up. It is seriously flawed. I said earlier this week, that I had serious reservations and I believe the passage of time will confirm me to be correct.

Mr. Speaker, I am going to refer to some of the analysis and observations made by the Prime Minister on this matter, not to be critical of him, because I understand where he is going with his general analysis. But perhaps to highlight the complexity of what we are dealing with and how difficult it is sometimes to get the solution. When we do not go the whole way in resolving a matter that is before us I can speak emphatically, Mr. Speaker, that if any would be investor. Any businessman, took this document before a banker or a financial institution, they could not secure financing. Let us start at that. So it is here only because of the unique circumstances by which governments do business. This could not go before a commercial bank and receive financing, for very obvious reasons.

First of all it approaches the matter solely from that of an income statement approach. By wish, while we may want to dismiss what I am saying because that is only one aspect of the financial analysis, even in terms of arriving at a solution, the absence from a balance sheet approach has prevented us from seeing some of the shortfalls that should have been addressed not only at the level of structure which we have addressed in the presentation, but many important management facets including staffing and design; in fact, we do not know very much about staffing, save and except for a block figure that has been identified here and speaks to a small all be it an important level of the management, the top hierarchy namely CEO, HR Manager, Manager of Finance, Chief Engineer. Critical and as important as they are, to achieve some of the objectives that are

outlined for BRAGSA, we certainly overtime would have to hear a lot more, about other technical and managerial staff, needless to say, supervisory and skilled and artisans within the organizations.

But let me agree Mr. Speaker, because with the Prime Minister on something because he has a unique way of presenting in the Parliament here, in his first submission, he is opened, he is receptive, and accommodating, and as would happen this evening he comes back in the summary with a sting to cuss all that was before him. Well, that is something we have been prepared for. It is unfair for him to conclude that there has been a lot of tinkering with the Public Works Department, as most Vincentians know it over the years and that there is a need for an improved capacity in that department to bring about better results.

There is an observation that he made which has deeper consequence than perhaps he has had the time to outline today, the one that he says that when the department worked with overseas consultants on “big projects”, they appeared to have feared better and assume maybe because they have the benefit and guidance of that expertise. There may be other reasons, but when it came to smaller issues of maintenance and small projects they appeared not to have done so well and there may very well be truth in that. Mr. Speaker, that is not unique to Public Works. It is unique to a lot of institutions that have emerged here in St. Vincent and the Grenadines and other Caribbean countries and the commands and control structure, that is the dominant form of management in our organizations and I use a word, leading to what people call the monolithic culture, that is the one right way to do things, and the management style which led to many people feel that they can do it all, they have all the answers and solutions and virtually left out the brain power of the organization the man on the floor, the man in the middle who could have made useful contribution, so I suspect that in trying to find a solution by the birth of BRAGSA, we are going to have to turn some of the existing management system on its head and that might by itself present challenges even to the new bright and prospective teams of managers that are coming in.

No one would want to argue, Mr. Speaker, that one of the reasons why we are often short on productivity in St. Vincent and the Grenadines, is the fact that our institutions are constraint by red tape, by bureaucracy, by political interference, which to borrow or use an expression I think I heard used this evening, gives rise to blockages in the system, antiquated and unprofessional approaches, all of those things we can agree.

The fact is however, Mr. Speaker, whether we like it or not the end result of that management system over the years is that it has created and perhaps it is best seen in the Public Works Department, something that is called a culture and you know, earlier not today, but the Prime Minister rudely attempted to give me a lecture on culture, something that I have spent so many years on and practice.

But I want to repeat that Mr. Speaker, because that thing that is called an organizational culture does not disappear overnight. By the mere putting out and bringing in a new management team it takes a lot of time, it takes a lot of years, it takes a lot of savvy, it take a lot of professional know-how to do that. So as the Honourable Leader of the Opposition stated, what we are attempting here is not new, we are not reinventing the wheel by creating a statutory corporation.

In fact we do not even know whether a statutory corporation is the best vehicle to go forward or whether a private company may have been appropriate. But that is not a battle that one or the other side has to win, perhaps we have concluded under the statutory form of our organizations to the extent as the Honourable Daniel Cummings said we are not going for a for profit type of enterprise and along the way BRAGSA is going to be consistently needing government subventions and assistance to see it through, so you do not have to go into any

deep science as to why one or the other form is chosen, sufficient to say that a parastatal as against a private sector company has its own sets of consideration.

But Mr. Speaker, I say that to make the point that we do have on the ground in St. Vincent and the Grenadines models of best practice which we could look at and examine to guide us to an efficacious BRAGS; there is the Water Authority, we have the privilege of having the former CEO today, and we must not slight his years of experience. All of us know when water was 20 and 30% of what we needed and what that agency did all the way through to its own headquarters to the point it can take on international projects that the Prime Minister's own constituency is benefiting from it today.

We have VINLEC which is regionally respected, and may I say it Mr. Speaker, just before I left VINLEC, the institution has been so well respected that it was identified by the international labour organization and an agency called PERMALCO as a best model for the region based on its HR practice for which it truly had a member to be there at the time and the late Joel Huggins and Mr. Noel Jackson. We went to Trinidad to present a VINLEC model for other Caribbean countries as the way to go forward. But then that is an agency that has been decapitated and it is working assiduously to put on new clothes, to breathe new life and perhaps return to where it was some time ago. And I could only wish it well. Because fortunately that organization had serious debt, by which I mean one could go beyond the senior management, the immediate so rising staff and dig 40, 50 60 people down and find that you had a company that was close to being on autopilot and could go.

But that also spoke to something that is sadly lacking in this BRAGSA presentation here today. If you look and examine those companies, you would see a very serious provision for training and development and you cannot turn a company around and train and get rid of a new culture with a \$10,000.00 allocation as is here for a quarter for BRAGSA, you are making joke. Nonsense, it just not going to happen this is not an abracadabra story, that you wave a magic wand and we live happily ever after. And you did not have to go and bring FDL from St. Lucia to teach us that we have the expertise here. Here in St. Vincent and on the ground, but prophets have no place in their own homeland.

Mr. Speaker, the solution for the problems of the Public Works which we must find, because I am agreeing with that, we do have problems. It is not to take a contingency approach where we are looking for a good fit between an environment and a range of problems and existing personnel. It is to do the proper analysis and immediately we begin to see as the Prime Minister has hinted to, we need to take a very serious systems approach to this problem, because that is part of the problem.

In fact, the problem is bigger than that which we want to locate in Public Works itself or confine to BRAGSA. Let me make a diversion, every year we come to this Parliament, since I have been here and we vote \$150, \$160, \$200, \$240 million dollars I think we almost reach at one time for the capital budget and at the end of the year we come back we approach \$100 million and then we get just a little bit over it, and we establish our own instruments of measurement and we say, but we did well, it was better than what NDP achieved, oh and 45% is not too bad, and we approaching 60%, we could get away with that in St. Vincent and the Grenadines, but that is not First World standard.

The truth of the matter is that while we are saying here that we could not spend \$100, \$125 \$155, \$175 million, you walk throughout the length and breadth of this country and every representative on that other side know what I am saying is true, you can see several small projects that could have been done for people, little back

walls that could have been put in place, little bridges to go over little ravines, drains, pipes that could have been leading to people who would have need a little bit more assistance. And all that has not happened, why? Because of an over centralized system of governance that relies on an overworked bureaucracy, called the Public Works, and a Ministry of Finance as well that does not have sufficient capacity to deliver on time the resources to those who have to do the work.

So management by itself is not going to satisfy everything. Senator Cummings was absolutely correct, with all of the capacity in the world, with all of the best will and the money 'nah day', 'no *wuk nah* going to be done'. Because BRAGSA to the point that it is parastatal and not private would be caught up in the very challenges that the government is facing to finance its own central government activities, you cannot separate them. The child is not going to become the father of the man. Parastatals are going to reflect the central government, they do not have the sense of a independence of a private company as Water Authority may do, as VINLEC may do, or GESCO may do. I am seeing an outstanding manager in the gallery.

So let us understand and bring all the forces together to understand where we are going. We do not even know if we need a hierarchical type of structure or makeshift organization. Why do I say that because essentially we are dealing with a ministry, now a parastatal where the predominant staff is going to be technical? It is going to be engineers, but I do not say that loosely.

Senator Cummings knows it, he has been a manager of a technical organization, engineers have a particular kind of way they approach their management and do things. And sometimes to bring the best out of them, they need to an appropriate compensating and supporting HR Staff to allow them to do things. Many engineers do not want to be bog done in the daily nuances of people who late and who dead and who have a funeral problem and who have maternity issues and who have a domestic violence situation or who have a child problem. They want to see the technical things go, but until we can find a good fix and a good relationship between social problems and technical problems, sometimes we do not get the benefit of all. In essence what I am saying until such times organizations like BRAGSA can marry their technical systems with the social systems you do not get the results. Nobody is coming to lecture me and tell me anything here about BRAGSA you know. Come and tell me, I have 30 years of management experience, and several years, several years of hands-on experience in this country, in state corporations. [Applause] If you want to applaud me for the time that you have wasted and the progress that I have made, that is your business, you know. When you see I am serious on this ground, I am separate from you. I am not cursing.

HONOURABLE JULIAN FRANCIS: I am giving you an applause and you cursing me.

HONOURABLE MR. SPEAKER: Why do we always have to be cursing?

HONOURABLE ST. CLAIR LEACOCK: I do not have to be cursing, but when I hear cynicism, Mr. Speaker, I strike it down. But I take it back in the same breath, Mr. Speaker.

Mr. Speaker, I say that, I took it back and I am moving on, Mr. Speaker. That is why I have to be concerned when I hear words, statements of hybrid systems as used by the Prime Minister, in terms of defining what BRAGSA is. Well the hybrid means, not one or the other, neither fish nor fowl. I hope in this stage, we are not creating a camel. I hope we are not creating a camel, Mr. Speaker, because St. Vincent needs the best bang for

the buck. We do not have a lot of money, it is hard to come by and we have to be able to deliver and deliver on time.

Mr. Speaker, when I started I made the observation that all we have heard and discuss on BRAGSA has been from the income side, the income statement approach on the matter. But you know as a parliamentarian, speaking about BRAGSA, I have no clue as to the worth or the size of the agency that I am talking about. What assets are coming on board with for BRAGSA, either from its relations with GESCO, is anything left at GESCO at all to come over to BRAGSA or have they disposed of all that is there? Are we bringing old iron, junk, obsolesce, old technology, scrap, I do not know. What is coming from Roads and Buildings Division? Or are we better off leaving them behind and starting afresh? I do not know what is the balance sheet but I need to know that. Because unless I know what constitutes the assets of the company, as an HR manager I do not have enough information to be able to speak with authority on the staffing of the organization but remember, Mr. Speaker, the work and responsibility of a manager is to protect the assets in the financial, physical and a fiduciary sense. If I do not know what I have I do not know what are the staffing requirements.

Equally, Mr. Speaker, and I heard and I gave way to it, what are the liabilities, have they all been disclosed? What are the particular architecture that is place to carry those that must be brought over? So I think I understand that the liabilities of GESCO will stay with the government, well whether it says with the government when it comes with BRAGSA, whether it is put up in the air or it is left with GESCO for an auction, the taxpayers of St. Vincent and the Grenadines still have to pay for it. We have not heard a word today addressing that, how we are going to pay for I think it is \$6, \$7 million or approaching that figure of debt that we had in GESCO. We cannot wish these things away, you know, because you had eight years to manage them. It was not \$8 million when you got there.

Mr. Speaker, let me say in all seriousness to my colleagues, Honourable Members on the other side, approaching matters like this we have to be very clear, have some knowledge and appreciation of the business systems models that we are choosing to address the problem that is before us. And there are many. I do not want to get into an academic dissertation of whether we are going to have a Mc Kenzie Model 7 as framework, ICA magnificent 13 model gap analysis, I do not want to go down that road, but I want to make the point that it is well known that an important way to approach your problem solving is beginning to determine it at the output level. What results do we want? And when we know what results we want from and input/output approach to the formation of this institution then we work backwards to the inputs.

That is what would tell us what are the staffing requirements, what are the information systems requirements and we come to the construction properly of an organization. Do not start with the inputs. You do not start by saying that Brian is a fine, good gentleman which indeed I know he is. And I do not know why we have to be on the name calling, of whether the manager of finance is the daughter, son, uncle, nephew of some great messiah who passed through here before. That does not make you a great manager because your father was, your sister was, or your mother was or your aunty, *nennen*, *tanty* was, that introduced some kind of bias, as far as I am concerned; every pot sits on its own bottom. Let us judge people by their performances, not family history. I am not interested in that. Not interested in that.

And stop, stop, stop, stop, stop, stop, Desmond Morgan is no guru. I said earlier this week I interviewed him, 5, 7, years, 9 years, 15 years ago at VINLEC when he came here, as virgin territory, knew very little about

Vincentian, knew about management. Sat at my feet, today he is mastermind behind NCB; since when and going on to create waves. Not getting into personality thing. May well be a fine manager, he has his own business. But I do not want this kind of thing where we are trying to take some people and put them on pedestals and make them super human. Because the same way you speak about him you know, you speak inside here the most derogatory of people like myself and others and Senator Cummings, and charity begins at home. Charity begins at home. So for some you have to exalt them on these pinnacles, on these altars and some of us must be condemned to some garbage heaps, only because we are in politics. And when it suits you, self-servingly politicians are the best and the most important things to St. Vincent and the Grenadines. Mr. Speaker, I wish the management team well. I have respect for them. And I am Vincentian first, but I have a trained mind that leads me to the way I approach the problems.

Mr. Speaker, again dropping of expression pay by performance well, to the best of my knowledge and you would have to get up and when you speak tell me Honourable Prime Minister which company in St. Vincent that you know, has successfully implemented a pay by performance, because the only one that I know who took this all the way to a negotiating exercise stage was VINLEC. And I know I designed that. But I will say something now that I did not know. Because quite a few months ago and I am not being derogatory here, Ms. Phyllis James, fine young lady, who I know borrowed my research work on performance appraisal human resource management but I thought it was for academic purposes. I do not know if it has been to assist her in her preparation for BRAGSA, if it so I have no problems with it.

HONOURABLE MR. SPEAKER: Senator I hope you are not doing what you are accusing others of, because if you are accusing them of building up, but it seems to me like you are pulling them down. I hope not. I just only hope so.

HONOURABLE ST. CLAIR LEACOCOK: I am not, Mr. Speaker, far from. I am simply saying, no I started to say I have great respect for the young lady, all I am simply saying that seven weeks and months ago I loan her important material on performance management...

HONOURABLE MR. SPEAKER: I believe we can debate this thing without going down those kinds of roads, you know.

HONOURABLE ST. CLAIR LEACOCK: Your intervention is noted, Mr. Speaker, and I move on.

Mr. Speaker, I have to assume, for example, I have to assume that in BRAGSA we are going to have positions, maybe held by engineers and others, for important roles such as environmental health and safety officers and so forth. The nature of the organization. I have not heard much about that. It was said, Mr. Speaker, here that there are going to be a number of services that BRAGSA itself would perform, that would be done by way of outsourcing. I have no problem with that either, Mr. Speaker, but if the organization is going to be outsourcing there must be mechanisms and guiding principles that should be in place that be determining to what extent it will be outsourced or what would be outsourced, and how that would affect its own in house capacity. All these, Mr. Speaker, are matters that we have to wish the organization well with.

Mr. Speaker, three quick comments, my good friend and colleague on the other side there, he is going to speak after me, sometimes advisor, Honourable Clayton Burgin, for whom I have good relations, at a personal level. I feel a little sorry for him but he may well be rejoicing, he is hiding his smile, Mr. Speaker, because at one time

we took away VINLEC from him, too much for him to manage, now we are piercing him in the heart, we are taking away Roads, Building Division.

DR. THE HONOURABLE RALPH GONSALVES: On a point of order. BRAGSA is located within the Ministry of Transport and Works.

HONOURABLE MR. SPEAKER: As I understand.

DR. THE HONOURABLE RALPH GONSALVES: In the way in which VINLEC is within the Ministry of Energy, in the way in which CWSA is the Ministry of Health.

HONOURABLE MR. SPEAKER: That is how I understand it.

HONOURABLE ST. CLAIR LEACOCK: Mr. Speaker, if you look at any organization chart for the Public Service parastatals are not located within any Ministry. They report to a Minister, because they are not expected to have the daily interference into their management and operations either through the minister or through the permanent secretary, and that is why this special creature is constructed to be outside but with a reporting relationship. And the autonomy is even greater when you are a private company. I am absolutely correct in what I am saying. I do not give way to the Prime Minister and I wish he would listen on these matters. I really do wish he would.

Mr. Speaker, I will move on from the question of Bro. Burgin losing his ministry, because he may well feel that it is a blessing in disguise, a relief. You know, in passing interestingly enough you know, for all intense and purposes the creation of BRAGSA is like the creation of another ministry. It is more than the Honourable Mike Browne spends, more the Honourable Selmon Walters spends, more than what the Honourable Rene Baptiste spends, more than what Mr. Sayers,... Honourable Sayers never had a ministry, unfortunately, it is more than the Honourable Julian Francis spends; it is more than the Honourable Saboto Caesar spends, yes, and without all the paraphernalia, it is a virtual ministry by itself. You do not like, but you got to hear. You got to deal with the Major.

DR. THE HONOURABLE RALPH GONSALVES: This is now a comedy show.

HONOURABLE ST. CLAIR LEACOCK: Mr. Speaker, when you listen to the presentation on BRAGSA by the Prime Minister, one gets the impression that you are listening to the “creator”. Everything is for the first time. It is as if by a pronouncement on a subject matter, we could then hear ‘and then there was light’.

Mr. Speaker, the creation of BRAGSA leaves us, I would not say with more questions than we have answers, but it certainly leaves us, with very many unanswered questions. And whether BRAGSA will be a success or not time will determine. As it stands now, Mr. Speaker, because of the inadequacy of the information presented here today, one has to have difficulties to give an endorsement to the BRAGSA coming into being. Much obliged, Honourable Speaker.

HONOURABLE MR. SPEAKER: Honourable Minister of Transport.

HONOURABLE CLAYTON BURGIN: Thank you, very much, Mr. Speaker.

HONOURABLE MR. SPEAKER: Just a minute for me please. I recognize you but... all right. [Pause] Okay Sir, you may go ahead now.

HONOURABLE CLAYTON BURGIN: Mr. Speaker, the Act states that BRAGSA which is a statutory authority is established to facilitate the management and supervision of construction and maintenance and in the Prime Minister's opening debate he mentioned about the efficiency of BRAGSA and the quality that we established this authority to get. An authority and quality in the works, in the construction and maintenance aspect of the development of the projects that we have to do; roads, the buildings, sea walls, jetties, river defences, retaining walls et cetera and what we did Mr. Speaker, after this Act came into being and we debated it in July of last year Cabinet immediately established what we called the transition committee to oversee the transition from those various entities like the maintenance and roads divisions in the Ministry of Transport and Works and also GESCO, but Mr. Speaker, awhile ago, my good friend the Senator mentioned about lessening and taking away certain things...

HONOURABLE MR. SPEAKER: I would ask you that you refer to him by his...

HONOURABLE CLAYTON BURGIN: Honourable Senator Leacock, but it says here Mr. Speaker, "a minister means the Minister charged with the responsibility for matters relating to Roads, Buildings and General Services. I do not think that this Act was established for me. You know, when Honourable Senator Leacock mentioned that because tomorrow the Prime Minister could say 'Clayton Burgin' you are going to a new ministry and somebody else would take over, this Act is an Act that was done for the purposes that I mentioned, and a number of things came out from the Senator that I wonder if he has in his possession the Act and look at all the aspects that he spoke about because they are here in the various parts, part one, two, three, four, five, it goes on, so all the things are here Honourable Senator.

Mr. Speaker, mention was made of the staff, and the quality of the top management and Honourable Senator spoke about the finance manager, you know, that everyone should sit on his or her own bottom, well I want to tell you that the finance manager has 10 years at the Eastern Caribbean Central Bank in St. Kitts dealing with financial matters and we know that is a creditable organization, a monitory organization for the Eastern Organisation, so I am giving you some background of her, so you do not have to say that she is the daughter of 'x', 'y', or 'z'. Also, Mr. Speaker, the top management, I am hearing a little bit of praise and at the same time a little gloom and doom from the Opposition when they spoke about the organization BRAGSA, but I am very optimistic that the quality of the staff, especially the top management and also the board, what it would bring towards this organization. We would see that level of efficiency and quality that we are expecting and we want to see and all of us in St. Vincent would like to see.

Mr. Speaker, the board, with highly qualified and competent persons we have on the board. We have business persons who are conducting successful business and have been doing so for many, many years. We have a past Director of Audit on the board; we have a banker, a youth, a retired nurse, a tired head teacher, a retired civil servant. These are some of the persons we have on the board. And Mr. Speaker, when the transition committee was established by Cabinet and chaired by me, we came up, we looked throughout the length and breadth of the country for persons of quality who would bring the results that we are looking for on this new authority BRAGSA and we came up with persons of this caliber, took their names back to Cabinet, Cabinet assessed them and these persons were put on the various boards.

Mr. Speaker, awhile ago the Honourable Senator Leacock also mentioned training the \$10,000.00 but Mr. Speaker, staff have to be assessed to determine the training budget and that cannot be done in four months, because when the staff, go over to BRAGSA, within four months I cannot see that you can put more money before you know the competence of the staff and what the training needs are, and as I say within four months you cannot do that.

Mr. Speaker, I have not done and did not do anything in accounting and maybe if I am wrong when I make this statement then the accountants and other persons would correct me, but in the starting of a new organization, here is it that you are starting something for the first time, it has no money, nothing and we are now giving it some money to start up, so I am wondering if we will have a balance sheet, at the beginning, now we are debating this thing, I am asking the question, I do not know, you know. [Interjection] Okay, then all right. I am asking, because they have no money now so we come here... that is why I am saying, I am asking, because I am not sure. As I said I am not an accountant, I do not know. Because if I do not know I have to ask so I am not playing like a lot of persons are experts at a number things that they never train in right? So I admit that. I know that, but what I am just saying.

Mr. Speaker, this organization BRAGSA, mention was made of the staffing, those persons who to go over from GESCO, those going over from the Ministry of Transport and Works but I want to let persons know that persons have been given an option. Minister of Housing in his debate mentioned that we did advertise all the various positions of BRAGSA and some persons opted to apply, some persons came to me personally and other persons and say we will like to go home early since we have reached that age where we can ask for early retirement; some persons we know would be severed and some persons asked for voluntary separation from the organization, pay them what you have for them and let them go and organize themselves. And the Honourable Senator Cummings mentioned about assisting in terms of training persons and helping them, so that they can become good small business persons and so on.

Those options were put to a number of persons, either they can do it individually, get with a group, we discussed these things with them and also with the unions and even pointed to various departments and bodies within the government like CED, the Small Micro Enterprise persons who they can carry their idea to and talk about those things that they want to do and see how best they can help them and they in turn would be hired by BRAGSA to perform certain task. As the Prime Minister mentioned over 100 plus government institutions that we have to deal with nearly 200, so there would be scope for a lot of work for these persons who are going home.

Mr. Speaker, before the organization was established or the Act came into being, as we said we are looking for efficiency and all those sorts of things. When the Prime Minister mentioned about certain things within roads and buildings and so on, there are some people who would feel offended but those are naked facts that he presented about we having good and competent persons and we have some persons who are not so good and those who are downright not good within the various departments within the Ministry of Transport and Works, let us be frank about that. I have said so in my debate and continue to say that.

And I have been urging the staff since I got into that ministry that everyone should pull his or her weight because the people of St. Vincent and the Grenadines who are paying them are not satisfied with the product that they are receiving from them. Some people would heed, as Honourable Senator Cummings said, others

would just go along the same way. And within the Ministry of Transport and Works, Mr. Speaker, persons of that nature did not know who they are, and these persons would not be, some of them, a number of them would not be surprised when they are severed because they know that they would have to... and a number of persons have already been saying, well I know I going home, you know, and all these sort of things, well if you know you are going home, you know that because you have not been performing, and the assessment of the staff, the assessment was not done by Minister Burgin, because a number of the staff, I know a number of the persons, almost all of them by face and so on, I do not know the names of over the 600 persons who work either part time or full time.

And I would tell you one of the things that we encounter in the Ministry of Transport and Works. Some persons come on to work for a project so when the project is completed that person should go but you know what happen, they stay on, and even though we have work or no work those persons are being paid, so those are some of the persons who would have to be relieved, and as we do in this government, even when we leave those persons and they are entitled to no pension as Minister of Housing stated we usually go to Cabinet and asked for something gratuitous for those persons still, because we want to ensure that... you work sometime in the government and for the people of St. Vincent and the Grenadines, so we give you something to go home with.

Mr. Speaker, many of the other things have been stated by all of the other speakers and this is one of the things when you come last you do not have anything much to add unless you want to repeat some of the things that have been said before. But I just want to say all in all that we did the right thing in establishing this organization, this authority BRAGSA, and we are staffing that with quality persons to perform the duties that would be assigned to them. We also know that no matter what, even if it is a new organization and you are starting off and you give them staff of 200, 250, in between that, because we know one or two persons would still be a little lethargic but I want to tell them that this would not be the Ministry of Transport and Works where you have security of tenure as Civil Servants. You would be working with an entity, a board and you have to perform if you want to stay on. Thank you, very much, Mr. Speaker.

HONOURABLE MR. SPEAKER: No further debate; Honourable Prime Minister.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, I would like to thank all Honourable Members for their contributions to this very important debate. First of all there are few matters which we ought to clear at the conceptual level. It is true that since the Second World War, we have had a number of statutory entities which had grown up to provide Public Service functions, to provide goods and services and no one has claimed that the concept of a statutory corporation is new. Indeed, the statute books are filled with statutory corporations not only here in St. Vincent and the Grenadines but throughout the Caribbean and of course in other parts of the world.

The simple point I was making that you have statutory corporations to deal with matters of development, for instance development corporations. You have statutory corporations to deal with the delivery of certain social goods and services; the Social Investment Fund is one of those, before that the Social Welfare Corporation in some countries in the Caribbean. We have statutory corporations to provide services in the area of water and sewage, and we have had public enterprises which are formed not of statutory corporations but as companies to provide utility services like electricity, or banking services like the commercial banks or development banks.

The simple point I was making which seems to have generated a great deal of heat, rather than light is the simple affirmation of a fact that to the best of my knowledge, BRAGSA is the first of its kind in the Caribbean.

The first of its kind in the Commonwealth Caribbean, and it is the first time that a government has sought to address a real problem which is both structural and functional. The issue relating to the delivery of the maintenance of government buildings, the fixing of roads and bridges and jetties and the like and to carry out certain kinds of construction functions which may be assigned to it from time to time. And it has been a difficult exercise for us to get to this point. And in every single country in CARICOM there are complaints over and over again about the delivery of services by Public Works particularly in the fixing of roads and the repairs of government buildings and fixing bridges and jetties and spanning water course of one kind or the like. And the reasons why we have had the difficulties is because the Public Works Department has grown up in a hopscotch kind of a way; in the Colonial period there was very little which was done.

The Chief Engineer at one time sat in the Colonial period as a member of the legislature, a nominated member and there was very little public works being done in terms of roads, there were few cars; there were very few trucks.

In 2001 there was close to 8,000 vehicles on the road, now there is 24,000 eight years later. The condition in which the roads have been built 30, 40 years ago, as the Honourable Senator Cummings has pointed out really not suited the modern times and we have made that point to repeatedly; the base of the road, the drainage and so on and so forth. These are things which we know and the accretions to various functions, the various structures that were built up, sorry, the functions additionally which have to be performed they were put together in a ramshackle manner and therefore at the end of the day we had a bureaucracy which was a prime example which some people may call bureau pathology, it had become pathological in its bureaucratic apparatus and in fact it has been infected with what I call in documented which I presented to the CDB as long as it was in 1976, neurosis, a kind of paralysis within the bureaucracy; and so the Public Works really have been, to put it in a summary form because I do not want to spend too much time on this aspect exhibiting what people in the literature would call, bureau pathology and which one may say show symptoms of neurosis.

Now, we looked at this matter and we have come to a conclusion that this is a good structure for us to do but it is a particular thing because GESCO which grew out of the funding scheme which dealt with largely vehicles, ended up dealing with stone crushers and some sand mining, and at one time GESCO essentially had a monopoly on these things until other competitive private sector entities have come into play. And but, the kind of complex services provided through repair of buildings and fixing of roads, and the jetties and the bridges and other things, the subject matter calls for a certain ingenuity in the devising of the structures, and this is why, for want of a better word, I sought to encapsulate it with the description of perhaps a hybrid structure.

Now it is interesting to note that when the Honourable Leader of the Opposition began he said, I have no problem with the idea, but at the end of the day, it is the efficient and cost effective manner in which it is functioning which was my conclusion also. So he supported the proposition. Indeed, Senator Cummings when he began apart from rightly praising the excellence of the choice of Brian George he says, I understand that this is a work in progress, BRAGSA, but a work in progress with potential. So I take that as an endorsement of the idea and what we are seeking to do.

Senator Leacock says, well we are not attempting anything which is new but of course we are doing something which is new and different. And he proffered the idea that a private company, would not it be more appropriate. I did not quite understand what he was saying, because it could be a state company; a state company is not a private company like for instance the IADC which has been criticized because it is a company, rather than a statutory authority. And National Properties which is a company has been criticized by the Opposition as I understood it because it is a company and not a statutory entity. But I do not understand the idea of the public functions now to be carried out in relation to repair of roads and bridges to be carried out by a private company.

HONOURABLE MR. SPEAKER: Why are you... to ask to give way?

HONOURABLE ST. CLAIR LEACOCK: Honourable Prime Minister I just want to address the question of my definition of the use of the term private company, the company is referred to as private when it does not offer its shares or stocks to the public at large, and so generally speaking what we have here in St. Vincent and the Grenadines, you have by and large private companies. VINLEC is a private company that is a case in point, if the company is offering shares that public can buy into it, then it is described as a public company that is the dichotomy of private verse public company; but it is still owned by the government.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, I have always been thought that definitions are never really the right nor wrong, only more or less useful. And it is the utility of the definition which is worthwhile and classifications and distinctions can be made. Some of them can be made distinctions without a difference. And very often one finds that where angels dance on the head of a pin.

Now, I understand the issue in the private sector domain that there is a private company and there is a publicly traded company but in the context of the discussion as I understood it, if you are talking about a public company owned by the state, but which is organized as a company I did not understand you to be speaking of that as a private company. Because I understand that a private sector company which is family owned with its shares not been traded is a private company. But you can have a private sector company which is publicly traded and is seen as a public company but not a public sector company because it is not owned by the state. So that, I mean you speaking to me about distinctions which frankly speaking I have taught and which are trivial, and which really, you know, this one-upmanship about things I do not really want to get involve in, I want to deal with the substance and meat of these matters.

Now, if in fact, the argument is as now presented by Senator Leacock in this distinction that he makes that he would rather see a private company which is in his meaning a company owned by the state but the shares are not traded publicly, therefore it is a public sector company wholly owned by the state. Now you will have to demonstrate to me...

HONOURABLE MR. SPEAKER: Senator...

HONOURABLE ST. CLAIR LEACOCK: The Prime Minister is quoting me quite inaccurately. In fact, I was very emphatic that in the circumstances a parastatal would be the preferred model than a private company to the extent that government would be expected to provide that company with subventions and that that institution would not expected to be for profit organization. I never went down the road that we should go the way of a private company. I opined that we should go for a parastatal.

DR. THE HONOURABLE RALPH GONSALVES: Well, in fact, you did not say that, you did not say that, if you intended to say that, you did not say that. No, no, no, you expressly said, ‘what we are attempting is not something new’ because this is a statutory body. You asked the question, is the private company more appropriate and then, you went on to speak about the value of having a private sector entity, as against a parastatal, that is what my notes say.

Now, the point is this, if you have a state company wholly owned by the state like IADC, one would need to show me how it is going to be better than one which is a statutory corporation, with a particular kind of admixture. So I make all those points to say, Mr. Speaker, that what we have here is an innovation that in the area of roads and bridges and buildings it is the first time that it is being hived off from the Central Government for all the reasons which we gave and indeed in the presentations unequivocally by the Honourable Leader of the Opposition and the Honourable Senator Cummings, unequivocally, they supported this approach in the case of Senator Leacock, I got the impression that he was arguing something else but his comments suggest that he is in fact in the same line of what his two colleagues are saying and therefore he is... despite all the words in agreement with the idea which we have put forward. So if we begin by that, there is an agreement.

Indeed the Honourable Senator Cummings he went further, he said you know, perhaps we need to go further in revamping the Ministry because BRAGSA does not resolve all the problems in the Ministry of Works which is true. It attempts to deal with certain kinds of issues.

Now, I want to having deal with the matter at the conceptual level, I want to address certain specific issues raised, first by the Honourable Leader of the Opposition. This is a matter which has been raised by everyone on the Opposition side and I want to say something for the purposes of clarity. GESCO’s debts forms part of the Public Sector debt of this country; the fact that the government has taken over GESCO’s debts, it does not add to the Public Sector’s debt because when you are making assessments of debt to GDP, it is not the Central Government’s debt that you used, but, the consolidated Public Sector debt. So by taking the debts from GESCO to the Central Government does not increase the extent of the Public Sector debt what it does is this, in so far as the National Commercial Bank is concerned because the Government is a far better server of debts than GESCO has been that life becomes easier for the National Commercial Bank, but what it does on the fiscal side of the government is that it increases the debt servicing of the Central Government.

Those are the facts in relation to... well you see there are many things that people do not have problems with until... I heard... I know you will understand this, the Honourable Leader of the Opposition, but I am not so sure that everybody else would. And therefore I have to make it abundantly clear that government is taking on debts and therefore and therefore this is increasing government’s debts. I am outlining the various dimensions. So that is the first question. Because you have raised, Honourable Leader of the Opposition, what is happening to the GESCO’S debts; well I have stated what was happening to the GESCO’s debts. But even... well you had raised it as an issue, so that I wanted to make it absolutely clear, that it is not an issue and to address all the logical implications and practical implications of the takeover by the Central Government of the debts.

Secondly, question of Civil Servants and their pensions. I have already explained that in my presentation, that in fact, the Public Servants who are taken into GESCO, their pensions and all their benefits are taken care of, because they are transferred under the Transfer of Public Undertakings Act, which is a law of this country, passed originally by the Milton Cato Administration and subsequent amendments during the NDP period.

Then, the Honourable Leader of the Opposition asked why is it that there no reference to severance payments to the workers from the Public Works Department, because this is about BRAGSA, those who are staying in Public Works who are pensionable, that is not a matter of BRAGSA but of Central Government, that is the juridical authority because they are not coming over. But I explained that those who are coming over are covered by... you mean, those who are not pensionable under the... who are working in Public Works and are not coming over to BRAGSA and who are going to be severed or any of them to be severed, would be paid in accordance with the Protection of Employment Act, and in conjunction with the collective bargaining and agreement with the Commercial Technical and Allied Workers Union; that is how it is, that is a straightforward legal and practical point, it is dealt with every single day. So I do not see why smoke should be thrown in people's eyes about these unless, there is some attempt to confused people that oh, that if you get laid off you are not going to get severance payment. Now this government has a history... I am not putting... but it is an elementary point. It is absolutely elementary.

Mr. Speaker, there are two juridical entities, BRAGSA and the government, the Ministry of Works, those persons who are not pensionable and who remain in the Ministry of Works and who if any of those persons is to be severed they would be entitled to their severance payment in accordance with the collective bargaining and agreement which has its foundation in the protection of Employment Act, and if I may say this, the government which introduced severance payment in this country, is the Labour Party government of Milton Cato, and the government which has improved the conditions of severance pay under the new Protection of Employment Act is this administration which the NDP opposition opposed and it is a matter of record. So I would not be lectured, please, on the issue of severance payment. Indeed, it is this government when the NDP administration did not pay workers, who are entitled by law to severance payments at Orange Hill, at Wallilabou and at Petite Bordel, they were not paid on the basis of any ex gratia payment, you know, they were paid on the basis of a right which had not been accommodated which was denied them and that is why we paid in August 2001, over \$3 million in severance payments to workers who were severed and who were never paid severance payments. So please, nobody on the NDP can talk to us and certainly not this persons Ralph Gonsalves about severance payment. The workers know they would be taken care of. I am not God. I have a track record on this.

HONOURABLE ARHNIM EUSTACE: The people have to have their severance payments before they move to BRAGSA...

DR. THE HONOURABLE RALPH GONSALVES: The point I am making is simply this, there are two entities, there is a sum which is entered here for the severance payment for GESCO's staff because BRAGSA, those whom they are taking on and those whom they are not taking on from GESCO, a budgetary proposition is made for them here, in these estimates because the law says, the law which sets up BRAGSA says that from July 1st this year, BRAGSA takes over all the assets and the liabilities and is the successor employer to the GESCO workers.

Now if we are severing them, if we are severing from the Public Works, the government will pay those and those will not appear in the BRAGSA budget, they will be paid from the Consolidated Fund. And that is the simple point. And an attempt is made to confuse it, oh that the people coming from GESCO will get their severance payment but nothing is here for the people coming from the Ministry of Works, which is not true at all. The central government is the legal entity responsible for it under the protection of Employment Act.

I did not make that law, this Parliament made it and it was assented to by the Governor General, it is true that I pilot it and I know it inside out and that is why I can speak to you about something. But then again you were Prime Minister for five months and you were Minister of Finance for 2^{1/2} years and you said here that you were not aware that the People out at Rabacca and down at Fitz Hughes, and down at Wallialabou, had been severed and their severance pay was owed to them. You did not know that. You said that here. And that is fine with me. You did not have any knowledge. I was not a Minister of Finance but I knew. I was not Prime Minister then but I knew. And I said before the elections that I will pay them and I paid them. And everybody knows that if they are severed whether from GESCO or by the ministry who are not pensionable they will be paid their severance payment. I said it here in my opening presentation.

HONOURABLE ARNHIM EUSTACE: When are they going to be paid their severance payment, the thing is coming into effect on 1st of September, provisions should be made for them.

DR. THE HONOURABLE RALPH GONSLAVES: Well, one thing I will tell you, they are not going to wait 17 months, they certainly not going to wait 17 years. I could tell you that for sure.

Now they will be paid when the issue of all those who are going over, those who are not going over, those who are going to be kept, those who are going to be severed will be determined. I mean it is an elementary point.

Then the Leader of the Opposition says that well as he sees it, well as he sees it, if it is only \$2.7 million would be saved from the remainder of the year building maintenance programme, and he is very surprised. What happens, Mr. Speaker, Honourable Members, at the end of every year particularly in a year where the first three quarters a lot of work is done and you tend to have more work being done in the first three quarters for repairs than you have done in the last quarter. The fact, that you have \$2.75 million remaining in the last quarter does not mean that there is not a lot of repairs which had been done in the year, because what you do have is a continuous programme, indeed, as we have seen. I have brought here supplementary appropriation bills, based on special warrants which I have approved from the Ministry of Works in the last quarter for additional works and indeed, I even go further, around Christmas time, I even provide additional monies, \$3 million last year, the best the NDP ever did when they were in government was \$300,000.00 which was in 2000 which was your last year, but the sum was so paltry that your people only spent \$100,000.00, stayed back. I know that because I checked it when I became Minister of Finance. And all that comes afterwards, and that is additional work on the Christmas work programme.

HONOURABLE MR. SPEAKER: Leader of the Opposition.

HONOURABLE ARNHIM EUSTACE: Mr. Speaker, if I say I am surprised, I am surprised. The point I was making, if the savings are not reflected in this budget for September to December then the amount set up here as supplementary estimates are wrong, because they should be deducted, because those savings are still in the Central Government. That is the point I am making.

HONOURABLE MR. SPEAKER: Honourable Prime Minister you have 15 minutes to wind up this discussion.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, we have here in this estimates, building maintenance \$1.6 million, road maintenance \$3 million. River defence maintenance \$300,000.00, and we have repairs and maintenance lower down, \$340,000.00, fuel and lubricants \$207,250.00.

Now, Mr. Speaker, when the accounts of BRAGSA is presented to this House as it would be after it has had its first four months of operations, the accounts would be audited and for April next year they would be available, because the law says by April next year they would be available and the Director of Audit will cause an audit to be done, the Director of Audit does not have to do it but he can get an independent auditor to do it. Not me, not hand-picking somebody and that will be there.

Mr. Speaker, I want, to address some of the issues by the Honourable Senator Cummings. You know, Senator Cummings has a facility to present the banal as original. He said that he is offering us advice, it is free, he does not have to charge for it. He almost sound like a pastor when he was doing it; so full of himself with the greatest of this expertise but all these things were presented before that we are going to have financial discipline, cost efficiency, we need to look at the bridges, we need to look at drainage and the recruitment of the staff is a huge challenge, I mean all those things; but he delivered himself of these fairly routine things and ordinary things in organizational theory and behavior as though it is the first time anybody was ever hearing about them. Now I accept them as valid propositions but please do not present the banal which every first year student would be aware of as though they are stuffed with originality. And that is the kind of a self-righteousness which I am in fact taking an issue with.

Now, he says on the one hand however, that we must not await the dragnet of the Ministry of Finance and the Director General of Finance and Planning; we must just give BRAGSA the money to do the job. Now the Ministry of Finance cannot just take money and give BRAGSA to do the job, there is a process; there are estimates. If in fact, [Interjection] yes you said that just give BRAGSA the money and get on with the job, do not await the dragnet, you said that. Mr. Speaker, but he goes on the other hand ... well, the point is this, if the point I miss it, with the language which you used, it means that the point was in your head but not articulated in the words which were presented. Because I cannot figure out what is in your head, I can only hear what you speak.

Mr. Speaker, as I made the point, this morning, I indicated that we are giving from the European Union Budget Support; \$1.1 million for river defenses \$500,000.00 for the upgrade of roads, that is given to the Ministry of Works. Now, I made it plain, I said BRAGSA is likely to get to do those works, but BRAGSA will be required to present an estimate, that estimate will have to be verified and passed muster by the Ministry of Works to see that it is in a competitive estimate and therefore would then be sanctioned by the chairman of the Tender's Board approved by the Cabinet, because there will not be a full tender because I have to obey the rules and the regulations. You cannot just feed BRAGSA money, there is a process. And one process is what we have come here about to give a certain grant and contribution.

Now, Mr. Speaker, all the issues of technical training I agree with Senator Cummings and that is a good point, but you see the point is this, it is not that some of the things you said Honourable Senator Cummings are internally inconsistent but some of the other things you say, makes sense but they make sense because pretty much everybody would agree with it and everybody will think about it. But you clothe it as though these are original propositions delivered by someone whom we really should be so pleased to have in our midst, to whom

we must bow down. And that is the point I am simply making because what you are doing, being a typical politician who has not quite connected with the people and seeking somehow to present yourself as so special...

Now, Senator Leacock's presentation, you know perhaps the less I say about that the better, because he begins by saying that he accepts that the presentation which we have here is the way the estimates are presented. He accepts that, because he had raised it in the Finance Committee, because I had pointed out to him, that we have given more information than would normally be given in supplementary estimates, but he could not resist for the Gallery having agreed with me, having conceded an agreement, he says but he says this document does not pass muster, the arithmetic does not add up, although he does not tell me where the arithmetic does not add up, and it is seriously flawed. Well, he has not told me how the numbers are flawed, at least to give credit to the Leader of the Opposition; he sought to raise certain questions expressly about the numbers.

But, Senator Leacock must be said in his favour that he agrees conceptually that the tinkering in the past with Public Works has not produce results and that there is need for restructuring, which is what we are doing. So, and then he simply went on to indicate to us that he has read books on management which really speaking has nothing of relevance to the issues at hand. And sometimes he would have lost persons who would not have frankly speaking understood the internal contractions because, if you assumed there is consistency you have a problem, but if you know there are internal contradictions, you have no problem you just spot them, you have difficulties when you assume that there is consistency. So he agreed really with what we are doing, so did the leader of the Opposition, so did Senator Cummings but the two honourable senators went off being in different ways. And what I frankly speaking was disappointed about is the ad hominem attack on Desmond Morgan.

I do not think Desmond Morgan has held himself out to be a guru neither have I held him out to be a guru. I simple said that he is a trained person in this area of management and finances. He has had experience and he has helped to make important changes at the National Commercial Bank. And I think the record would show. I did not say he is s a guru. I would not call him a guru. And by introduction I had said for persons who may not know the Financial Comptroller I said in passing that it looks as though accounting is in the blood, she is the daughter of the former Director of Audit, Fred Providence to humanize the persons, so that people will know who is this lady, they have not heard about her name or anything, do you think she would be selected on the basis that she is Fred Providence's daughter, nobody said that, nobody intimated that.

And I am really pleased that the Honourable Minister of Transport put the matter to rest, by talking about her qualifications, and of course, I do not know whether Phyllis James will ever borrow another document from Senator Leacock. I do not think she ever would, professionals tend to do this, they borrow from one another, and people come and borrow books from me. They ask me for this, they discuss this with me, I do not go about and broadcast, particularly if they are not in the political arena, but all that was done for one purpose, to show how great a guru Senator Leacock is. Well I end with this finally, okay, if you want your ego to be massage this evening, great guru, all power to you. I am obliged, Mr. Speaker.

I beg to move that the motion standing in my name be approved by this House.

BE IT RESOLVED that this Honourable House do approve the Supplementary Estimates for financial year ended 2009.

Question put and agreed to.

Motion passed.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, I beg to move that this Honourable House resolve itself into a committee of the whole House to consider the Bill clause by clause.

HONOURABLE MR. SPEAKER: Okay, did I hear a second to that.

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

HONOURABLE MR. SPEAKER: All right.

House went into Committee.

House resumed.

Bill went through committee stage and passed without amendments.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, I beg to move that a bill for an Act to sanction payments from the Consolidated Fund in excess of the Appropriation Act 2008 on certain services relating to the year ending on the 31st December 2009 be read by third time by title and passed.

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

Question put and agreed to.

DRUGS PREVENTION OF MISUSE AMENDMENT BILL 2009

HONOURABLE MR. SPEAKER: Honourable Prime Minister, I do not know what... how long you believe

...

I believe, Mr. Speaker, that probably we should do all the work and then go. I do not think that these will take us long.

HONOURABLE MR. SPEAKER: Okay. Do all the work and go.

DR. THE HONOURABLE RALPH GONSALVES: Rather than take a break at this point.

HONOURABLE MR. SPEAKER: All right.

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 Drugs Prevention of Misuse Act.

The object of this bill is to amend the Drugs Prevention of Misuse Act Chapter 219 of the Laws of St. Vincent and the Grenadines, Revised Edition 1990. A forensic laboratory for St. Vincent and the Grenadines has been commissioned thus this amendment seeks to include analysis of the local laboratory in the first schedule of the Act.

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

Question put and agreed to.

HONOURABLE MR. SPEAKER: Honourable Prime Minister.

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 its stages at today's sitting and passed.

HONOURABLE SIR LOUIS STRAKER: 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 that a bill for an Act to amend the Drugs Prevention of Misuse Act be read a second time.

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

Question put and agreed to.

HONOURABLE MR. SPEAKER: Debate on the bill? Honourable Prime Minister.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, under the current law, the Drug Prevention of Misuse Act, Chapter 219, the first schedule to that Act which addresses the issue of analysis or scientific officers who are required to test the drugs to see that for instance in the case of marijuana that it is cannabis Ativa L, a drug which is proscribe under the law, the case of cocaine, the same thing. So unless you have a certificate from the government analyst of Barbados or the scientific officers 1, 2, and 3, of the Trinidad and Tobago Forensic Science Centre of the Ministry of National Security of Trinidad and Tobago you would not be able to have a conviction. So if the certificate just simply mention chemist, Trinidad and Tobago, it would not pass muster. So you have to have testing it at the moment a government analyst in Barbados or scientific officers 1, 2, and 3 of the Trinidad and Tobago Forensic Science Centre of the Ministry of National Security. What we are doing now, in this Act is to have the following item added. So in addition to Barbados and Trinidad, we now have St. Vincent and the Grenadines any forensic scientists or technologists employed with the forensic laboratory of the Minister responsible for National Security.

Now, Mr. Speaker, for quite some time since I was a practitioner, it always amazed me that we have to send the drugs to Barbados and we have to send the drugs to Trinidad to be tested; what that did was this, you could not send them just one or two at a time, because of the cost, and I would indicate the cost shortly, so you have to send a batch. But invariably, the batch will take six months to be gathered, sometimes longer, it means therefore that what the lawyers did was to advise the client to plead not guilty, so they are found with a pound of weed, they know they are going to be fined a certain amount of money, they said plead not guilty, they get bail easy and you wait nine months and in that period of time you hustle, sometimes you even hustle the same thing weed and make your money to pay the fine, so when you come back the next time, the lawyer will get up and say, Your Worship, upon further consideration of this matter I have advised my client to plead guilty. Guilty, the magistrate say well, it is a good thing you did not go through this trial or you would have get a harder penalty, so they change their plea at the second outset, so that it was a nice trick and still it is, so this

forensic laboratory, to do those tests and other forensic tests, it is not only drugs, but other tests, it is a good crime fighting tool.

Now, the absence of a laboratory resulted in a high cost incurred in the submission of drugs to external testing facilities, delays in the analysis narcotics cases and an impediment to the judicial process due to delays in the production of certificates of the analysis done, not only for narcotics but for other things. Questions of paternity, though elementary paternity tests were done here, not DNA but a series of other tests, helping in crime fighting. So we have decided to establish the forensic drug laboratory and we have received assistance in this regard, from Miss Fraser who is from the Forensic Science Centre in Barbados, and she became attached to us here and to do a lot of work under the supervision of Ms. Lorraine Alleyne who is an analyst for the St. Vincent and the Grenadines Police Force.

Now, we appointed Ms. Fraser subsequently and Ms. Hanniff, Ms. Fraser is the Forensic Scientist and Ms. Hanniff is the technologist, the total expenditure on the renovation of the building, the salaries thus far, chemicals and the like \$520,521.63. The projections for the full functioning of the laboratory in 2010 would be \$253,516.00. Now in 2008 the cost for one test at the Forensic Centre in Barbados was \$38,340.00 and this includes the travel expenses, so when you look at the numbers it makes a great deal of sense and that is why we are doing this and it is part of the crime fighting. And I provide the information and I do not see any challenge here. I think this is a good move. And I want to thank all those who have been involved in this matter.

HONOURABLE MR. SPEAKER: Thank you further debate Honourable Leader of the Opposition.

HONOURABLE ARNHIM EUSTACE: Mr. Speaker, I really do not see any need to debate this particular item. I agree.

HONOURABLE MR. SPEAKER: Thank you.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members I beg to move...

HONOURABLE MR. SPEAKER: Hello, do you want to debate it? Well after the Honourable Leader of the Opposition, no need to debate I thought he was speaking on the authority of the party. Oh, you are speaking for yourself.

DR. THE HONOURABLE RALPH GONSALVES: Do you want to debate it? I have to inquire you know Mr. Speaker, otherwise it would be said he was muzzled.

HONOURABLE MR. SPEAKER: He is a good guy, he would not say that.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, I beg to move that this Honourable House resolve itself into a committee of the whole House to consider this bill clause by clause.

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

House went into committee.

House resumes.

Bill passed the committee stage without amendments.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, I beg to move that a bill for an Act to amend the Drugs Prevention of Misuse Act be read a third time by title and passed.

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

Question put and agreed to
Bill read a third time by title and passed.

EVIDENCE AMENDMENT BILL 2009.

HONOURABLE MR. SPEAKER: Honourable Prime Minister.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, I beg to move that a bill for an Act to amend the Evidence Act be read a first time.

The object of this bill is to amend the Evidence Act Chapter 158 of the Laws of St. Vincent and the Grenadines, Revised Edition 1990. A forensic laboratory for St. Vincent and the Grenadines has been commissioned thus this amendment seeks to include the office holders of the local laboratory in the Second Schedule of the Act.

HONOURABLE SIR LOUIS STRAKER: 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 its stages at today's sitting and passed.

HONOURABLE SIR LOUIS STRAKER: 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 that a bill for an Act to amend the Evidence Act be read a second time.

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

Question put and agreed to.

HONOURABLE MR. SPEAKER: Debate on the bill? .

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, this is the same issue, we simply have to change both laws, the Drugs Act and the Evidence Act for technical reasons.

Mr. Speaker, there is one matter which I did not address when I had spoken on the other bill and I think it is something which I need to indicate. Well first of all to indicate that the laboratory was opened formally on the 17th of April, this year, but the facility is not yet fully operational and for at least six months we are going to have dual testing carried out in St. Vincent and the Grenadines and Barbados and this would be followed by a three months spot testing done in St. Vincent and the Grenadines with supervision from the Forensic Science

Centre in Barbados, this is what is known as the pier review process. Ms. Lorraine Alleyne the Deputy Director from the Barbados facility has been engaged over the period to provide guidance for us here at the local facility.

Mr. Speaker, I make this last point about the six month period where you have joint testing and then a three month period. You know, I read with some pain in a newspaper, a lawyer before the criminal bar was in the Magistrate Court and threw cold water, in fact laughed, and said 'ha ha, they are having a laboratory'. But it is a laboratory which has to be... he used some very disparaging words, to the effect that you have to double check it, what kind of laboratory it is, you have to do the same thing, what is the sense, why it is here, and the journalist reported it. All that was required to have been asked was one telephone call, to be made to the Permanent Secretary in the Ministry of National Security and they will find out that the best practice when you set up a laboratory is to have first of all a pier review process. You do the quality testing, you do it at both places for six months, in other words, you do it here, and you take the same drug and you take it to Barbados to make sure that everything is in order and then you have a spot testing arrangement. You know, the sad thing about this, this was half a page about how stupid the government is and so on. And I read it, and I said what a foolish lawyer. And you know, I hope that he hears me. I did not say anything before and I do not want, I said he, and people at that level they blab and they do not understand things, just ask. Of course, I got a bad press, because I was dragged into it. But there is a God. I take it all with equanimity. I am obliged. Uneasy lies the head.

HONOURABLE MR. SPEAKER: Further debate Honourable Leader of the Opposition.

HONOURABLE ARNHIM EUSTACE: Agreed.

HONOURABLE MR. SPEAKER: Agreed; further debate?

DR. THE HONOURABLE RALPH GONSALVES: Sometimes I wonder if he is being led by the Leader of the Opposition, because after the Leader of the Opposition says he agreed, he is angling to rise.

HONOURABLE MR. SPEAKER: He is a good man.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, I beg to move that this Honourable House resolves itself into a committee of the whole House to consider the bill clause by clause.

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

House went into committee.

House resumes.

Bill passed the committee stage without amendments.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, I beg to move that a bill for an Act to amend the Evidence Act be read a third time by title and passed.

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

Question put and agreed to.

Bill read a third time by title and passed.

REHABILITATION OF OFFENDERS BILL 2009

HONOURABLE MR. SPEAKER: Honourable Prime Minister.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, Honourable Members, I beg to move that a bill for an Act to make provisions for the Rehabilitation of Offenders who have not been reconvicted of any serious offence for a periods of years and to provide for matters connected therewith.

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

Question put and agreed to.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, this is a very important bill and we will like to have it at select committee. Accordingly I would like to propose for select committee, the Honourable Minister of Social Development, the Honourable Minister of Education, the Honourable Minister of Ecclesiastic Affairs and Rural Transformation, the Honourable Minister of Culture, the Honourable Minister of State in the Prime Minister's Office, the Honourable Senator Williams, the Honourable Attorney General and myself.

HONOURABLE MR. SPEAKER: Leader of the Opposition.

HONOURABLE ARNHIM EUSTACE: Dr. Godwin Friday, Honourable Senator Cummings.

HOPE EVANGELISM OUTREACH MINISTRIES INCORPORATION BILL 2009

HONOURABLE MR. SPEAKER: Honourable Members, I beg to move that a bill for an Act to make provisions for the corporation of a church called Hope Evangelism Outreach Ministries of Calder Ridge in the State of St. Vincent and the Grenadines be read a first time.

Question put and agreed to.

RESOLUTIONS

NATIONAL INSURANCE BENEFITS AMENDMENT REGULATIONS 2009.

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, these are all regulations required the three sets which are before us, this is the first lot from the NIS, Benefits Amendments Regulations, it is really for negative resolution, so we simply lay it and it is an up and down vote. So I beg to move that these regulations be adopted.

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

Question put and agreed to.

Regulations adopted.

FINANCE ADMINISTRATION REGULATIONS 2009

DR. THE HONOURABLE RALPH GONSALVES: It is the same matter, Mr. Speaker, and the motion is before us under the Finance Administration Act. Be it resolve that this Honourable House pass the Finance pass the Finance Administration Regulations 2009 by resolution of the House of Assembly pursuant to section 48 of the said Act. I so move.

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

**Question put and agreed to.
Regulations adopted.**

COMPANIES AMENDMENT REGULATIONS 2009

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, this is the same requirement for negative resolution and it is on the Order Paper in my name, it is under Section 527 of the Companies Act of 1994 and be it resolve that this Honourable House passed the regulations by resolution of the House of Assembly pursuant to Section 527 of the said Act.

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

**Question put and agreed to.
Regulations adopted.**

ADJOURNMENT

DR. THE HONOURABLE RALPH GONSALVES: Mr. Speaker, before I move the motion for the adjournment I just want to report that when I return at lunch time, I got some very good news which made me walk with a little extra bounce in my step. This morning for the Government of Antigua and Barbuda President Chavez signed on to and agreed to a mixture of grant and loans to the Government of Antigua of US \$50 million. Those monies would be placed with the Central Bank for the draw down by the Government of Antigua and Barbuda; it means that when they are approaching the IMF, they have indicated that they are going sometime in September for an arrangement of some kind they would be in a better position and of course, with US\$50 million additional in the Central Bank the question which I address today makes us all smile because, [Interjection] no this is not the PETRO CARIBE, these are monies for an ALBA member.

And this Mr. Speaker, is very important for the entire Eastern Caribbean Currency Union because the money... I spoke to Prime Minister Spenser and the money is going to be lodge to the Central Bank, just like the US\$50 million that I got for British American from the Central Bank in Trinidad. From the Government of Trinidad and Tobago lodge at the Central Bank, so that it means as I outlined this morning and the Honourable Leader of the Opposition would appreciate and other Honourable Members, it means that we strength the monitory system and the liquidity in it. So that is why I feel very good. This is why even today, Mr. Speaker, when my friend was trying to provoke me in responding I knew we had US \$50 million additional coming to the Central Bank,

to help with the liquidity in these difficult times that I could feel a little better and sleep a little better and not be drawn by any kind of barbs.

Mr. Speaker, on the 1st of September, that is the date we have set aside, Tuesday 1st of September for the next meeting of the House, hopefully on that day we will do the second reading of the Constitution Bill.

Accordingly, Mr. Speaker, I beg to move that this Honourable House do stand adjourn until the 1st of September at 10 a.m.

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

**Question put and agreed to.
House adjourned at 8:22 p.m.
Until 1st September, 2009**