

**No. 8**

**Tuesday**

**Fourth Session**

**24<sup>th</sup> February, 2009**

**Eighth Parliament**

**SAINT VINCENT AND THE GRENADINES**

**THE**

**PARLIAMENTARY DEBATES**

**(HANSARD)**

**ADVANCE COPY**

**OFFICIAL REPORT**

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**THE PARLIAMENTARY DEBATES**

**OFFICIAL REPORT**

**PROCEEDINGS AND DEBATES OF THE THIRD 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.**

**EIGHTH SITTING**

**24<sup>th</sup> February, 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 Marriagua

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

Member for Central South Windward

Minister of Health and the Environment  
Honourable Dr. Douglas Slater

Member for South Leeward

Minister of Urban Development, Culture,  
Labour and Electoral Matters  
Honourable 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 Telecommunications, Science  
Technology and Industry  
Honourable Dr. Jerrol Thompson

Member for North Leeward

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

Government Senator

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

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

Honourable Rochelle Forde

Government Senator/ Deputy Speaker

Honourable Richard Williams

Government Senator

## **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 Terrence Ollivierre

Member for Southern Grenadines

Honourable Major St. Claire Leacock

Opposition Senator

Honourable Daniel Cummings

Opposition Senator

## **ABSENT**

Minister of Tourism

Member for South Windward

Honourable Glen Beache

# SAINT VINCENT AND THE GRENADINES

## HOUSE OF ASSEMBLY

24<sup>TH</sup> FEBRUARY, 2009

### PRAYER

Honourable Mr. Speaker, Hendrick Alexander, read the Prayer of the House.

### OBITUARIES

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members before I address the issue of obituaries, may I be permitted to, as the Leader of the House to welcome our students who are here and I am very happy to see them. They are from Emanuel, from JP Eustace sorry, from Form 3. I am hoping that they will enjoy today's session and there are also two Teachers. This school is in the constituency of West Kingstown and I think a reasonable tradition has been established that the Member of Parliament for the area will take the students and the Teachers to lunch; so, I expect that the Honourable Minister of Culture and Urban Development will ... I will not seek to offer the caretaker for the Opposition; he may wish to join in voluntarily: but we are happy to have them.

Mr. Speaker, yesterday the sad news came to us and today the sadness remains and the pain and anguish of the death; unfortunate death of two young children still linger and whatever we do today and in the days and weeks and months thereafter; they ought to remain in our hearts and in our minds; because what this Parliament is about is not only the present, but the future and of all time only the future is ours to desecrate. It is not within our power to desecrate the past except by words and the present is the past because as soon as I got up and spoke, the present had become the past. Unfortunately, the hope and promise held out by our civilization would not be there for these two children because of their sad and painful death.

I refer, Mr. Speaker, Honourable Members, to the death by fire yesterday at Trigger Ridge at Redemption Sharps of: Kayla Sutherland, 3 year old little girl and Jerad Finch a young boy, 1 year and eleven months. They died, I have been advised in a wooden house which was engulfed in flames; Oh! It is a wall. Mr. Speaker, death comes in so many different ways and the voice of death which we heard yesterday has been heard in ancient times by Emperor and Clown and it is the same sad voice that pierced the heart of Ruth when she stood sad amidst the alien corn. I feel for these two children; I feel for them very deeply and we must do honour to their memory and let their spirits and their innocence speak to us from the great beyond and let us do better for the other children and for all those for whom we provide leadership including these magnificent children who are here as students from the third form. Let Kayla and Jerad always be in our memory.

Mr. Speaker, I have been advised that the police are carrying out investigations and those investigations are as yet not complete. I was alerted yesterday very urgently by the police and by my Cabinet Secretary, Mr. Bernard Morgan and the Parliamentary representative for the area, the Honourable Conrad Sayers. Mr. Speaker, in their infancy and innocence; I am absolutely sure that they are in the arms of the Lord. They, Mr. Speaker, whatever the theological position you may take whether it is now they are there or on judgement day; I know that they must be now or some time in the future with our Lord and Saviour in Paradise. Let us hope and pray that we may meet them there: but on this earthly city let us do the best we can and do honour to their memory and their names. I am obliged.

## **CONGRATULATORY REMARKS**

**HONOURABLE SELMON WALTERS:** Mr. Speaker, Honourable Members, I rise to offer congratulatory remarks; to congratulate Miss Emelda Nedd of Diamond Village, better known as ‘Mama’ who last weekend celebrated 100 years [applause]. I am remembering Mr. Speaker, the Honourable Member, for East St George, who would always come to this House and brag that the longevity of the nation resides in East St George; well, I have news to tell him Mr. Speaker, it has now been transferred to South Central Windward. [Applause]

Mr. Speaker, Emelda Nedd is the great grandmother of our Senator Caesar and interestingly, Mr. Speaker, for the whole week there was a celebration in Diamonds; as many people came to the house to see the lady of the day. As we were over there from the evening Mr. Speaker, with this big celebration, a little girl came up to me and she said “*Sir, whey the woman deh*” I said go through that crowd and you will see a little old lady sitting in a chair; that is the lady. One hundred years is a milestone Mr. Speaker, and it is joyous to know that Mama Nedd gave birth to eight children and she outlived six of them; that indeed is a milestone and when I spoke with her on Sunday, I asked her “*what is your wish*” and she said “*to live another hundred years*”

And she is quite strong; quite happy; quite joyous and that make two so far that we know about in the constituency; the other being Mr. Beache who now resides in West Kingstown: but originally he is from Greggs. So, Mr. Speaker, from this side of the House I would like to offer strongest congratulations to Mama Nedd and all those who have the joy of taking care of her. May she live many more years and may the joy of longevity be hers and many more; many, many more. Thank you very much, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Honourable Senator Caesar.

**HONOURABLE SABOTO CAESAR:** Mr. Speaker, I rise to join with the Honourable Members for South Central Windward in extending congratulations to my great grandmother on attaining 100 years [applause], now it is one thing to join with others when their families are celebrating 100 years; when a member of their family would have attained 100 years: but it is a totally different thing when someone in your family whom you would have known all your life would have reached such a milestone.

Emelda Nedd of Diamonds Village was born in 1909, and many may not take time off to do the calculation but it is a mere 75 years after the Emancipation Act was passed in Britain to abolish slavery. I used this point to

show that she comes from the bowels of the peasantry; working class female from a rural district having to go through many of the vigors of life and the rigors by herself, she produced eight children; six of which are deceased. She has 25 grandchildren, 150 great grandchildren and she also boast of having 10 great, great grandchildren none of which are mine.

I just wish her the best of health. She is in excellent spirit and we are all pilgrims in a vineyard which is not our own. Some of us will have a longer time than others and as my great grandmother continues her sojourn; I want to wish her the best from this side of the House. Thank you very much. [Applause]

**HONOURABLE RENE BAPTISTE:** Mr. Speaker, Honourable Members, I have to steal the thunder from the Honourable Member of South Central Windward; when he spoke about Fredrick Beache better known as *'Daddy pal'*. He was a 104 years on the 8<sup>th</sup> February and you would not believe it, to see when he holds your hand to shake your hand it is a firm handshake. And on Sunday morning the 7th, he was blowing his Mouth Organ. He is a tremendous old man in the district, in Campden Park, and he still likes to make his little sweetheart jokes.

He is in good mental health and fairly good physical health and all his children and grandchildren, so many: a couple came up from Trinidad to be with him on this very auspicious occasion and we celebrated with a Mass at the Lowman's Hill Anglican Church and then afterwards we had lunch and refreshments in celebration. He is a wonderful old man and I wish him all the best and the family just love to have him around; he is a great, great little old guy.

Mr. Speaker, as I am on my feet, I will also like to congratulate the JP Eustace Secondary School on their overwhelming and outstanding victory in the Senior Secondary School Netball Tournament [applause]. They are here in this gallery today and six of those players of the team are among the students who are witnessing the proceedings today. So, congratulations once again and I am sure you know how great it feels to be the winner and to be number one.

Thirdly, Mr. Speaker, I take this opportunity as I had the privilege and honour to represent the Government and people of St Vincent and the Grenadines at the thirtieth Independence anniversary of St Lucia over the weekend. On 22<sup>nd</sup> February, that nation celebrated 30 years as an independent nation and I offered my congratulations to Dame Louisy who is the Governor General and also to the Prime Minister, Honourable Stephenson King and his wife, members of his Cabinet and the people of St Lucia; all the best for the future. They called it a journey they are looking forward to for the future.

And finally, Mr. Speaker, on February 1<sup>st</sup>, the Carnegie Public Library Building was 100 years old. It was established through the philanthropy of Andrew Carnegie and it has been declared by the Government of St Vincent and the Grenadines the first protected National Heritage, under the St Vincent and the Grenadines National Trust Amendment Act #37 of 2007. Much obliged.

**HONOURABLE MR. SPEAKER:** I recognised the Honourable Senator.

**HONOURABLE ST CLAIR LEACOCK:** Thank you very much, Mr. Speaker. Mr. Speaker, I rise very proudly and happily; I must say to speak to the good news that I heard last week. And I want to say to members of this House that amidst the general negativity and sometimes gloom and doom stories that we hear around us, something very good; very, very good is happening among our young people in St Vincent and the Grenadines and specifically with the Cadet Force in St Vincent and the Grenadines. I rise this morning Mr. Speaker to congratulate Colonel Lewis and his Officers and men and in particular the three Cadets who recently obtained diploma certification at the vocational level after excellent performance one year in a two year programme.

Mr. Speaker, undoubtedly, the Cadet movement must be the oldest movement in St Vincent and the Grenadines I believe and it is growing by leaps and bounds. We all know that they have traditionally based their programme around the military with great emphasis on Leadership development. Today, Mr. Speaker, when they are combining those features with that of education and vocational education; hands on education, it is most commendable and it gives one a sense of assurance of the future of the nation state being in good hands. So, I want to congratulate them all.

If you will allow me to indulge just for a minute or two Mr. Speaker, I want to say as I have said before that there is a wonderful opportunity here and lessons here, Mr. Speaker. I have spoken before that we perhaps need to revisit the notion of how we create officers in the Police Force; just as it is done in standard Armies, Navies, Air Forces, Coast Guards the world around. There is absolutely no reason why in 2009 we cannot begin to have Officers in the Police Force going through Officer Programmes enjoying the Force in the early twenties and developing a strong Officer Corp, rather than waiting until people get closer to their retirement age. And I really want to commend that as a programme to be considered under the National Security Initiatives in St Vincent and the Grenadines.

I want to add to that Mr. Speaker, to the extent that these young men must lead the Force all around 19 or 20, there is a tremendous pool of talent is not there a case, Mr. Speaker, for us to revisit the existing auxiliary Police Force and revive it to something of a National Reserve where we could have former Police Men; Cadets who have passed the age; returning Soldiers; Coast Guard Men; and Naval who have gone to England and to America and have had the better experience and are back home: but want to have National Service, to come into this body that could be available to us? I just want to say that Mr. Speaker.

And finally, that the Government has really taken a good listen to our spiritual redemption charter and are investing wisely and prudently in the Cadet Force and that the numbers and the smile [laughter] on the Honourable Prime Minister's face epitomizes this very proud moment for us and I want to encourage the Government to continue in this positive direction supporting the Cadet Force. Much obliged Mr. Speaker.

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

**DR. THE HONOURABLE RALPH GONSALVES:** I do not want to enter a debate because this is not the time for it and I know that you have allowed a lot of latitude to the Honourable Senator Leacock not to offer just congratulations; but to express his views as though he is in a debate on a particular subject matter. But since he has identified me and wanted me to say something, Mr. Speaker, may I crave your indulgence just to say... Mr.

Speaker, in February 2003, there was a Motion adopted here in the absence of the opposition regarding a fourteen point strategy on crime and within that strategy there is a lot of details and one of them which was mentioned was the expansion of the Police Force, I mean the Cadet Force. We have moved the number from under 100 when we arrived at 450 I think the number is now rising sharply to five hundred with a lot of other facilities. So, I am happy that he has acknowledged it though he gives paternity to a source which cannot reasonably be a justifiably claimed paternity: that is one.

Secondly, Mr. Speaker, in fact, if you were to do the DNA test you will find that we are the parent; we are the father [laughter]. Mr. Speaker, we are at ad idem: we are at one on the matter of the Officer Corp. Indeed, that is one of the recommendations which we accepted from the Durant Report, which is a position we had articulated even before the Durant Report. And the idea is...we are working through it is to have persons enter at ranks just above, I mean not Constable Ranks; because they would have for one reason or the other... take for instance somebody who is a university graduate can enter at the SP level with proper training at a Officer Corp level and so on and so forth. So, those are ideas which we are actively working on; indeed, to strengthen that Officer Corp.

In fact, part of strengthening the Officer Corp too is to provide opportunities and there are tremendous opportunities now for persons who are in the Police Force to go to university. And there are about twelve or so currently studying overseas at the university level; including one who has just received an Upper Second Class Honours Degree in Law and I want to congratulate him and others, who have been doing well in this regard. I am obliged, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Honourable Minister of Foreign Affairs.

**HONOURABLE LOUIS STRAKER:** Thank you Mr. Speaker. Mr. Speaker before I offer congratulations let me just add my share of welcome to the students of the Emmanuel High School: JP Eustace Memorial High School who are here this morning: I believe this is Form 3, to witness the proceedings of Parliament. From time to time, we have students from various schools that come here and I think it is a most commendable thing that they should be here. These new students should realize that I am a past student of the Emmanuel High School; I still have my blazer. I do not know if they wear blazers now: but I still have my blazer in my closet in New York. I took it with me ... it was green [interjection], no! No! No! It cannot fit me now: but I still take great pride not only in the school: but in the Principal JP Eustace; outstanding man; an icon in this country.

It is amazing to me, Mr. Speaker that sometimes students from High School come to me, to ask me to fill out their homework as to who is the representative for this constituency and that constituency and these are High School students. These are things that I believe High School students should be paying attention to and should be able to do by themselves without the aid of the representative. They should know who the representatives are for the fifteen constituencies and so this is increasing their consciousness; and their knowledge of not only the working of Parliament: but also who are the representatives and the Senators and all those who sit in this House. I want to congratulate the Teachers and the School for having their delegation here this morning and to add my congratulation to the senior team that won the Secondary Netball Tournament.

JP Eustace has been doing very well in sports and I am sure within a short time they would be able to reach the level of the Barrouallie Secondary School and probably pass it.

That brings me to the point where I want to congratulate the Junior Netball team of the Barrouallie Secondary School; they defeated Troumaca School and won the Tournament for the Junior Netball Championship on the 13<sup>th</sup> February, at the Nutricia Netball Court; at New Montrose [applause]. We are to applaud the efforts of our young people those who want to walk a straight and narrow pathway and to live exemplary lives. They are the building blocks on which this nation must stand.

Those of us who are much older are on our way out and they are the ones as is often said, they are the men and women of tomorrow and as long as they apply themselves to be good citizens and build their country and make their communities their school and their country proud, we know that our country would be in good hands with all the youths that we have in the various schools. So, I want to congratulate the Barrouallie Secondary School Junior Championship, for what they have accomplished in the Netball Tournament.

Mr. Speaker, permit me to offer congratulations of another kind: I want to offer congratulations to our Prime Minister. So, many times we wait until a man is dead and then we heap a lot of praises on him. Sometimes it is not well meant: but because he is dead, we know he cannot do any harm in his grave, and therefore ... [interjection] that is the time we offer praise but I want to congratulate the Prime Minister on just five outstanding items.

First of all, I want to congratulate the Prime Minister for standing firm with the Ship Riders Agreement that the United States had put a lot of pressure on us to sign. And there were those in this country who were saying we ought not to buck the United States: but we are to be malleable and bend when they ask us to sign and exempt their people from the Rome Statute and the proceedings of the International Criminal Court. We had said from the beginning and the Prime Minister took a firm stand and the pressures, the lobbying came fast and furious from the highest levels of government and we are vindicated today in that one of the first acts of President Obama was to get rid of that waiver that the previous administration was asking us to sign. And it justifies the point that the Prime Minister said:

**“No! We are not going to have two systems of justice; one for those who are influential and rich and the other for the poor countries”.**

[Applause] And today, just like our recognition of Libya; United States has come around to us to follow the same path that we have taken and I congratulate the Prime Minister for holding firm and steadfast to the principles that we stood fast for and not be bribed with the few dollars they were giving us as they so called *‘military aid’*

Secondly, I want to congratulate the Prime Minister on his foresight in the Argyle Infrastructural Airport Plan; for years both parties, both governments were talking about an international airport, and certainly no one ever thought even your humble servant, I myself, had doubts as to whether we would be able to bring together that kind of coalition with the resources to build that Airport. We have to say thanks to our Prime Minister getting the plans together reaching out as part of our foreign policy and the foreign policy does not reside in the

Minister of Foreign Affairs alone: but reaching out to nations. We are on our way in building an International Airport in laying the ground work for our future development.

I would daresay, he has said no: but there is no other name that that Airport could have may be, may be in the hereafter: but the Ralph E Gonsalves International Airport [applause]. I know he does not want it but he has worked too hard bringing together the Coalition of the Willing governments; from all ideological spectrums in helping us. The Airport is doing fine despite the international situation, not one government has renege or asked us to go slow. They are fully committed to the development of the International Airport at Argyle and we thank the Prime Minister for that.

Third, The excellent judgement displayed by the Prime Minister in his actions and in his discussions and his support for LIAT. [Applause] We have seen at times that we had to put in money time and time again and there were those who looked very critically as to whether we should be putting so much money. When I say we, I mean St Vincent and the Grenadines, in the LIAT Airline, because they said that we had Caribbean Star and that was an Airline that they said was well capitalized and can do the business if LIAT was not competitive.

The Prime Minister had stood firm and is still standing firm that we in the Caribbean; we need our own Airline and has supported LIAT. Today, in the light of what is happening in the Caribbean and what is happening to Stanford; we can look back now and say the Prime Minister had the prescience in knowing that we ought to stand by our Airline. If we had not supported LIAT; the question is where would we have been today? So, the fact that the Prime Minister had seen fit through all the trials and tribulations and adversities to really support LIAT; had it not been for St Vincent; had it not been for this Prime Minister, LIAT would not have been in the sky and we would have had no access. Probably, no access to the various islands of the Caribbean up to Puerto Rico because LIAT would have been out of the air and we thank him for the foresight; the wisdom and the knowledge in helping LIAT to stay afloat that we have an Airline that could serve the region. [Applause]

Fourth, I want to congratulate the Prime Minister in joint leadership with Prime Minister Manning, in the CLICO British American affair. We all know about the problems that CLICO CAL Financial has been facing lately: but the Prime Minister has worked hard with Prime Minister Manning in order to make sure that our investments and the investments of other peoples in the Caribbean and institutions had not gone under. We thank him for the support and leadership which he has shown in that regard. And of course, the swift and decisive leadership provided in the collapse of the Stanford Empire and the Bank of Antigua. While Stanford was seeking to buy out LIAT and to put it out of the air and the Prime Minister stood firm, the Bank of Antigua that he plays a prominent part in; we are part owners. We would have 15% of that Bank and because of the leadership our Prime Minister has seen; we are now part owners; owning 15% of that Bank and the whole financial system of the region can survive and can thrive and do much better than if the Bank had gone under.

Mr. Speaker, the Prime Minister has been a good leader, I realised that in the thrust of politics sometimes it is hard for someone in the opposition to say that because to accede to his leadership; to grant him one bit of credit for what he is doing would seemed to be down to their disfavour and it ought not to be so. I know Senator Leacock at times try to buck the tide and try to offer congratulations sometimes: but he is limited because his mouth has to be sealed and he can only go but thus far: but I want to say that when a man is doing a good job

we ought to congratulate him. And not because he is our Prime Minister; he has been doing an excellent job for this country [applause].

The day will come when he will no longer be here and future generations will refer to him as the Errol Barrow of St Vincent and the Grenadines; because he is laying the ground work; the same way how both parties in Barbados are now lauding Errol Barrow that is the same way the opposition and the government whatever they are, whichever parties it might be would look back on the leadership that Ralph Gonsalves the Prime Minister has given to this country and say: that he has done a fantastic job in laying the ground work for the future development of St Vincent and the Grenadines.

Prime Minister, we thank you very much for what you have been doing. Mr. Speaker, we want to thank the Prime Minister very much for what he has been doing and congratulate him for his principled and consistent life in looking out for the interest of St Vincent and laying the ground work for a brighter and better day for our young people; future generation and this generation . May God give him the strength; the energy and the wisdom to continue to work on our behalf [Applause]

**HONOURABLE MR SPEAKER:** Honourable ...

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, before I offer brief congratulations on a particular subject, I want to thank the Honourable Deputy Prime Minister for his very kind words and to say that I do my best, I do what I have to do. There is one matter on which I want to state a clear position. I will never support anybody calling anything after me. When I am dead I cannot give support nor I cannot say no: but I just ... Mr. Speaker, all over the years since I have been not only in public life: but before that I have given dozens upon dozens of trophies. I have equipped teams with uniforms; I have sponsored tournaments and they want to call the trophies after me; they want to call the teams after me; the competitions after me; I have never ever allowed that to happen. I said no. Whilst I am alive, I am Comrade Ralph and when I am finished here and I go into my retirement, I hope that people will relate to me the same way. I do not want anything named after me. I understand the sentiment of Sir Louis and I appreciate it and I am thankful and grateful for it: but I want to make my position clear in the Parliament of this country.

When I am dead I do not have any control over that, so I just want to make that absolutely clear from the beginning. Mr. Speaker, I am not opposed to persons who give a trophy, call the trophy after them or having some little tournament called after them, I am not decrying them; all I am saying what is my position; simple and straight. [Chuckle] I thought you were going to talk about the J. F. Mitchell Airport, [chuckle] I thought that is the one you are talking about in Bequia. Eh! [Interjection] No! No! No! I was just waiting. I wanted to see all the cafasse first.

No, he did not mention that I heard on the news that the Honourable Leader of the Opposition gave a trophy or something, somebody is fighting somewhere for the Eustace Trophy; fighting for the Eustace Trophy or something of the sort. I do not know. But I ... [chuckle] now ... Mr. Speaker, I have addressed this matter at a Press Conference already and I do not want to speak at length on it; simply to put on record in this Parliament

where we congratulate President Hugo Chavez, the Government of the Bolivarian Republic of Venezuela and the people of Venezuela for the success in the Referendum last weekend.

President Chavez has won or his party, 14 out of the last 15 elections or Referenda and every time there is a difficulty he goes to the polls and he has the matter dealt with under the constitution of Venezuela and I want to commend him and his government and his people. I am obliged. [Applause]

### **CONFIRMATION OF THE MINUTES**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members.

**HONOURABLE MR. SPEAKER:** Wait, you have to move the Minutes.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members; I beg to move that the Minutes of the Sitting of this Honourable House held on the 3<sup>rd</sup> February, 2009 be confirmed.

**HONOURABLE MR. SPEAKER:** Honourable Minister would you please speak up I am not hearing you.

**HONOURABLE MONTGOMERY DANIELS:** On Page (15) the second to last paragraph, line (1) where there is a number there of 41.5 million, it should be 4.5 million.

**HONOURABLE MR. SPEAKER:** What is that? Second paragraph Page (15). Yes. Okay. Yes. 4.5 and not 41.5? Okay. Alright; okay. Honourable Minister...

**HONOURABLE RENE BAPTISTE:** On Page (9) under Congratulatory Remarks against the name Huggins, where it says Companion of the Order of St Michael and St George: in brackets should be CMG and not CMV.

**HONOURABLE MR SPEAKER:** Honourable Senator ... Use the microphone please.

**HONOURABLE SABOTO CAESAR:** Page (1) second meeting, Tuesday 3<sup>rd</sup>, February, 2009; where it reads Mike Browne; Local Government should be placed under the Ministry where it goes ... Ministry of Housing Informal Human Settlements, Local Government.

**HONOURABLE MR. SPEAKER:** Any further amendments? No further amendment; then I will put the question.

**Question put and agreed to  
Minutes confirmed with amendments**

## STATEMENTS BY MINISTERS

**HONOURABLE MR. SPEAKER:** Honourable Prime Minister.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I have a fairly extensive statement to make on the issue of the Bank of Antigua Limited, Bank formerly owned by the Stanford Group and its take over. I have Mr. Speaker, three other statements of a much briefer kind, which I believe that this Honourable House would wish to have updates on. Particularly, in these very challenging time Mr. Speaker, it would be noted that I have been speaking more frequently than usual to the nation about a series of Social and Economic matters, which I think it is important for leadership to be provided always, but especially in these challenging times.

Mr. Speaker, Honourable Members, Sir Robert Allen Stanford and the Stanford Financial Group have been in the news recently on allegations of fraud arising out of certain banking; financial and investment transactions regionally and internationally. The issue at the immediate moment for the Eastern Caribbean Currency Union of which St Vincent and the Grenadines is a member concerns the Bank of Antigua Limited owned by the Stanford Group and which is regulated by the Eastern Caribbean Central Bank the ECCB. Since Tuesday the 17<sup>th</sup> February, 2009 when this issue first arose I have been engaged in frequent and lengthy discussions on the matter with the Governor of the ECCB, Sir Dwight Venner both as a member of the Monetary Council of the ECCB and as the Chairman of the Joint Task Force of the OECS; ECCB; which has been established to address the socio-economic fall out to the sub-region: from the International Economic and Financial crisis.

On Thursday February, 19<sup>th</sup> and Friday February 20<sup>th</sup> 2009, I participated in a telephone conference or two telephone conferences of representatives of four indigenous banks from the OECS; including the state owned National Commercial Bank of St Vincent and the Grenadines. In that conference too was the Governor of the Central Bank and Dr. Erroll Cort the Minister of Finance of Antigua and Barbuda who is the current Chairman of the Monetary Council. Certain understandings were arrived at in those two telephone conferences regarding an approach to the situation at the Bank of Antigua Limited.

On Friday February the 20th, 2009 the Monetary Council of the ECCB held a special meeting by Video Conference, Chaired by Dr. Cort, whom I have said is the current Chairman. On the afternoon of the said 20<sup>th</sup> February, the Monetary Council issued a communiqué in the following terms:-

**“Council discussed the financial challenges being experienced in Antigua and Barbuda resulting from the civil complaint filed by the United States Securities and Exchanged Commission SEC, on the 17<sup>th</sup> February, 2009 against Robert Allen Stanford and the Stanford Financial Group. The Council approved the intervention by the ECCB under the emergency powers granted under Part 2 (a) Article 5 (b), of the amended Eastern Caribbean Bank Agreement 1983. This states inter alia:**

*‘that where the bank is of the opinion that the interest of the depositors or creditors of a financial institution are threatened that the bank shall in addition to any other powers conferred to it have*

*power to take all steps it considers necessary, to protect the interest and to preserve the rights of depositors and creditors of the financial institution’.*

**This action was deemed necessary because of the complaint filed by the United States Securities and Exchanged Commission on the 17<sup>th</sup>, February against Mr. Stanford and his financial group. And which filing of the complaint subsequently led to the withdrawal of Funds from the Bank of Antigua Limited.**

**In response to this situation the ECCB sent in two teams of Bank Supervisors on Wednesday the 18<sup>th</sup> February and Thursday the 19<sup>th</sup> February and has been supplying liquidity to the bank which has ensured that the depositor’s demands have been met.**

**The Monetary Council of the ECCB approved a plan of action in which the leading indigenous banks together with the Governor of Antigua and Barbuda have come together to establish a new entity, which will take over the operations of the Bank of Antigua Limited by Monday the 23<sup>rd</sup> February, 2009. All the parties involved will be working with the ECCB throughout the weekend to commence operations of the new entity on Monday 23<sup>rd</sup>, 2009.**

**The names of the participated Banks are as follows:**

- 1) St Kitts Nevis Anguilla National Bank Limited.*
- 2) Eastern Caribbean Financial Holdings. (that’s the Bank of St Lucia)*
- 3) Antigua Commercial Bank.*
- 4) The National Commercial Bank, SVG Limited.*
- 5) The National Bank of Dominica.*

**The Council commended the work of its Chairman,**

And I am still reading the Media Release.

**The Council commended the work of its Chairman, Dr. The Honourable Erroll Cort, Minister of Finance of Antigua and Barbuda and the Prime Minister and Minister of Finance of St. Vincent and the Grenadines; Dr. The Honourable Ralph E Gonsalves were leading the effort to put the arrangement together.**

**The Council expressed its very strong support for the maintenance of financial stability in the long term and hopes that this firm and decisive action will demonstrate to citizens its**

**seriousness in maintaining the financial system in the Eastern Caribbean Currency Union; ECCU, in a safe and sound condition”.**

There ends the Media Release of the 20<sup>th</sup> February, by the Monetary Council after our meeting. Mr. Speaker, Honourable Members, on the said Friday, February 20<sup>th</sup>, 2009; I dispatched a team from St Vincent and the Grenadines to the Headquarters of the ECCB in St Kitts; to fashion a detailed approach forward regarding the Bank of Antigua Limited. This team was led by the Director General of Finance and Planning, Mr. Maurice Edwards and included the acting Chief Executive Officer of NCB, St Vincent and the Grenadines Limited: Mr. Derry Williams and one of the NCB Lawyers, Mr. Graham Bollers. They were there to meet representatives from the Government of Antigua and Barbuda and others.

The team from St Vincent and the Grenadines was given specific instructions from me in my capacity as Prime Minister, Minister of Finance and as the principal shareholder nominally, of the National Commercial Bank of St. Vincent and the Grenadines. I remained in regular contact with the team from St Vincent and the Grenadines and the Governor of the Central Bank over the weekend and into Monday February 23<sup>rd</sup>, and continuing. The ECCB was assisted in its work by a distinguish firm of auditors; the firm of auditors is *Price Waterhouse Coopers*.

On Sunday February 22<sup>nd</sup> 2009, the ECCB issued a News Release under the caption: - *‘Consortium of Indigenous Bank to Carry on the Operations of the Bank of Antigua Limited’*. This News Release reads in full as follows:-

**“The Eastern Caribbean Central Bank ECCB wishes to advise that following the communiqué issued on Friday 20<sup>th</sup> February 2009, representatives of the following parties met on the weekend of the 21<sup>st</sup> and the 22<sup>nd</sup> February; at the ECCB Headquarters in St Kitts.**

- (1) The Eastern Caribbean Central Bank.**
- (2) The Government of Antigua and Barbuda.**
- (3) The Government of St Vincent and the Grenadines.**
- (4) The Antigua Commercial Bank Limited.**
- (5) The St Kitts Nevis Anguilla National Bank Limited.**
- (6) The Eastern Caribbean Financial Holdings Company Limited. (that is the Bank of St Lucia)**
- (7) The National Commercial Bank SVG Limited and**

**(8) The National Bank of Dominica Limited”.**

The Release goes on to say:-

**The Parties came to a successful conclusion on the formation of an entity to carry on the operations of the Bank of Antigua Limited. This will come into effect on Monday 23rd February, 2009.**

**The ECCB together with all relevant parties will hold a Press Conference at the Conference Room: Bank of Antigua Limited, Coolidge St John’s, 2.00 pm. on Monday 23<sup>rd</sup>, February, 2009.**

Mr. Speaker, Honourable Members, this Press Conference was held in Antigua on the afternoon of Monday February 23<sup>rd</sup>, 2009. Mr. Speaker, it is important that I give the sequence and all the relevant facts. Arriving from the weekend deliberations and actions from the relevant participants at the ECCB Headquarters is a Memorandum of understanding an MOU which was duly signed by all the parties involved. The essence of the situation is contained in statements to the Regional Media on Monday 23<sup>rd</sup>, 2009: this is the Press Conference which they were to hold and in fact held; by the Governor of the Central Bank and the Minister of Finance of Antigua and Barbuda. And I want to read these two statements in full because they reflect a true and correct position. First: the statement by the Governor:-

**“As you are all aware...**

Mr. Speaker, these statements are a little longer than usual but given the gravity of the situation this is the place where we must have all of the clarification; because this is a matter of fundamental importance to our Banking and Financial System in the ECCU region. The Governor stated:-

**“As you are all aware, the Bank of Antigua Limited experienced some difficulty beginning February 16<sup>th</sup>, due to charges levied against the Chairman of the Board and the Sole Shareholder by the Securities and Exchange Commission of the United States of America.**

**The Eastern Caribbean Central Bank which is the Sole Regulator of Commercial Banks in the Eastern Caribbean Currency Union intervened on the 20<sup>th</sup> February, after ascertaining that the situation was beyond the capacity of The Bank of Antigua to handle on its own; which was confirmed by the Board of Directors of that institution on the 17<sup>th</sup> February”.**

The Governor was in touch with the Board of Directors of the Bank of Antigua, obviously, the Chairman, Mr. Stanford was in communicado: but he spoke to the other members, the Governor, other members of the Board. The Government statement went on:-

**“The Central Bank’s intervention was initiated under the emergency provisions of Part 2 (a) of the Eastern Caribbean Central Bank Agreement Act 1983 as amended; which gives it the power to**

**assume control of and carry on the affairs of a financial institution; if the Central Bank is of the opinion that:-**

- 1) *The interest of the depositors or creditors of a financial institution are threatened.*
- 2) *That the financial institution is likely to become unable to meet its obligation and*
- 3) *That the financial system of a member territory is in danger of disruption; substantial damage; injury or impairment as a result of the circumstances; given rise to the exercise of such emergency powers.*

*The Eastern Caribbean Central Bank has over this difficult period provided financial assistance and management to the Bank of Antigua and all customers who insisted on withdrawing their funds have been able to do so. Of equal importance is that all cheques presented in the interbank clearings of the Bank of Antigua have been supported by the Central Bank.*

*I would just like to pause and reflect on the rather abnormal and difficult circumstances, we find ourselves in and the need for calm and understanding by all concern. I cite four events for your consideration*

This is the Governor still.

- 1) *We are in the midst of a financial and economic crisis of which it is said that no comparable circumstances have occurred since the Great Depression of 1929 to 1933.*
- 2) *Economic growth has declined dramatically in all advanced and emerging economies and the value of Global Stock Markets has shrunk by some \$30 US Trillion.*
- 3) *The rate of growth in Antigua and Barbuda and the Currency Union has also declined due to:-*
  - a. *The fall in tourist arrivals and expenditure; foreign direct investment and remittances.*
  - b. *The demise of CLICO which has had a marked impact on the confidence of financial markets in the Eastern, and Southern Caribbean.*
  - c. *The difficulties being experienced by the Bank of Antigua; on account of an external factor.*
  - d. *An impending election in Antigua and Barbuda.*

**This is a very unstable and volatile environment and not the most conducive for conducting such a delicate exercise, as we have now embarked upon. That is the reason why in our Press Release on the 18th February, 2009 we impressed upon the citizens of Antigua and Barbuda the need “to remain calm so that we could take care of this matter in a smooth and expeditious manner, so that the situation can return to its normal state**

**We also pointed out that the nature of any banking system is such; that all the deposits that are in the bank cannot be withdrawn on the same day. If this were the case; the bank will simply be a place for warehousing money. Banks make loans for housing; cars and business ventures and part of the interest they charge is paid to depositors for placing their funds with them. It is virtually impossible for a bank to ask a business man or house owner to pay back the loan instantly so that it can replace depositors. Banking and finance therefore is about trust; confidence and credibility.**

**Trust accumulates slowly over time and facilitates financial progress; if it is faltered or betrayed, it can destroy financial institutions and economic systems. That is why in the very unusual circumstances which now prevail, I once again call for calm; good sense; and the absence of speculative statements; so that the professionals in the Central Bank and the members of the financial community can carry out without distraction; their responsibilities to depositors; creditors and the society at large.**

**It is for this reason that on the invitation of the Monetary Council of the ECCB representatives of the Government of Antigua and Barbuda; the location of the crisis; representatives of the Government of St Vincent and the Grenadines, which chairs the task force established by the joint meeting of the OECS authority of the Heads of Government and the Monetary Council of the ECCB; to address the impact of the international crisis in the OECS; and representatives of the Antigua Commercial Bank; National Bank of Dominica; St Kitts Nevis Anguilla National Bank; Eastern Caribbean Financial Holdings Bank Limited, Bank of St Lucia and the National Commercial Bank of St Vincent and the Grenadines: met at the Headquarters of the ECCB over the weekend; to address the situation at the Bank of Antigua; and to draw up plans to treat with any other actual or perceived threat to the financial system.**

**The plan of action which is embodied in the Memorandum of Understanding between the two parties consists of the following critical elements:-**

- 1. The establishment of an oversight committee chaired by the Governor of the ECCB and comprised of two members of the Board of Directors of the ECCB from Antigua and Barbuda and St Vincent and the Grenadines. Our Representative on this oversight body is Mr. Maurice Edwards, the Director General of Finance and Planning, who is our Director on the Board of ECCB. And two members each represented the Board of Directors and Management of the five participating indigenous Banks”.**

So, from St Vincent and the Grenadines National Commercial Bank; there would be two members, so from St Vincent and the Grenadines we will have three members on this oversight body.

**“This committee will monitor the operations of bringing the Bank of Antigua back to normality and arranging the purchase of the institution of a newly created entity.**

- 2. The creation of a company; The Eastern Caribbean Amalgamated Financial Company Limited, to carry on the operations of the Bank while a number of necessary legal and financial activities are being carried out in preparation for the final sale to a new entity as required by Article 5B 1 (6) of the 1983 Central Bank Agreement as amended.**

**The creation of a new entity: The Eastern Caribbean Amalgamated Bank which will purchase the re-structured entity. The firm of Price Waterhouse Cooper has been engaged by the Central Bank; to carry out evaluation of the Bank of Antigua, and technical personnel from the Central Bank and the participating Banks have been working around the clock to complete this exercise as soon as possible.**

**The ECCB has been in close touch with the Securities and Exchange Commission in the United States, which has been extremely helpful and courteous. The shares in the new undertaking have been divided evenly between the participating banks; 15% each with the Government of Antigua and Barbuda being assigned 25% of the remaining shares.**

**These shares to the Government of Antigua and Barbuda will be divested to citizens of Antigua and Barbuda and from the other Countries of the Currency Union over time; through placement on the Eastern Caribbean Securities Exchange. The rapid and volatile changes in the international; regional and national environment require us to create new and viable institutions and arrangements for our survival and progress. This is a major step into the future”.**

That is the Governor’s statement: now for the statement by the Minister of Finance and Antigua and Barbuda.

**“Over the past several days the resilience of the domestic banking sector as well as, the strength of the regulatory framework, that governs the financial system of the Eastern Caribbean Currency Union was put to the test following swiftly on the heels of an announcement that the United States Securities and Exchange Commission SEC had filed a civil complaint against R Allen Stanford and the Stanford International Bank; individuals who held deposits with the Bank of Antigua sought to withdraw their funds from this institution.**

**This move by depositors caused significant liquidity problems for the Bank if not addressed immediately could have resulted in serious consequences for the domestic banking sector and for the ECCU financial system as a whole. The situation clearly demanded prompt and decisive action**

**in order to reassure citizens and residents who are customers of the Bank of Antigua that their deposits and other financial interest in respect of the bank remained secure.**

**The first step towards developing and implementing a plan of action was the meeting between the Government of Antigua and Barbuda; The Eastern Caribbean Central Bank and representatives of all banks operating in Antigua and Barbuda. In addition, the Monetary Council of the ECCB convened a special meeting to address this matter; considered a number of options and to agree on a plan of action that would further assure the depositors that their financial interest in the institution were protected and that the regulatory framework within the ECCU was more than capable of meeting the challenge that was precipitated by the civil suit against the Sole Shareholder of the Bank.**

**These steps have ultimately led to this moment; where the efforts of all parties have culminated in the creation of this new entity: The Eastern Caribbean Amalgamated Investment Company Limited. The ECIC will take control of the operations of the Bank; so that in spite of the ongoing issues in respect of United States Securities Commission SEC; this institution will continue to function normally and engage with its customer in a manner to which they are accustomed.**

**As indicated by the Governor; this new entity and amalgamation of indigenous Banks within the ECCU together with the participation from the Government of Antigua and Barbuda; this means that the Government of Antigua and Barbuda; The Antigua Commercial Bank; The Eastern Caribbean Financial Holdings Company Limited; The National Commercial Bank SVG Limited; The National Bank of Dominica Limited and the St Kitts Nevis Anguilla National Bank Limited are the new shareholders of this new entity: The Eastern Caribbean Amalgamated Investment Company Limited.**

**The formation of this new corporation was the outcome of long and indebt consultations among the stakeholders over the weekend and is indeed, testament to the ingenuity and creativity of our people. The delegation representing Antigua and Barbuda during these consultations secured a 40% interest in the new entity; 15% of which is allocated to the Antigua Commercial Bank and the remaining 25% to the Government of Antigua and Barbuda.**

**Given the urgency with which the action was required; we were not in a position initially; to afford members of the Antigua and Barbuda public the opportunity to acquire shares in this new entity; however, this Government is determine to give the public a chance to win a stake in this company and will therefore, divest a portion of its 25% share holding; to the public of Antigua and Barbuda.**

**What we as a Government: the ECCB and the various indigenous Banks have been able to achieve during the past few days is an incredible feat. In essence: we are able successfully to advert a disaster and save the deposits and interests of the customers of the Bank. There are over \$400 Million in deposits at the Bank of Antigua; and nearly 80% represented the deposits of the citizens**

**and residents of Antigua and Barbuda. The Government of Antigua and Barbuda is very grateful to the Governor of the ECCB, for providing the necessary liquidity to the Bank; to allow it to continue functioning and meeting the demands of its customers.**

**Further, we are grateful for the instrumental role played by the ECCB in indentifying these strong indigenous Banks in the OECS region; that will inject the necessary capital to allow for the continued viability of this institution. Before closing ...**

And this is the Finance Minister of Antigua and Barbuda still speaking.

**It must be stated that this joint effort on the part of the Government; the ECCB and the indigenous Banks across the region is a remarkable reflection of OECS unity and it is a practicable demonstration of the integration movement. On behalf of the Government and people of Antigua and Barbuda; I wish to thank our brothers and sisters of the OECS region for their co-operation and for their invaluable contribution towards securing the stability of our financial space.**

**This new entity sets the stage for the creation of a strong indigenous OECS Bank; which is rooted in several indigenous Banks across the region that on their own are financially sound and resilient. The Government of Antigua and Barbuda under the leadership of Prime Minister the Honourable Baldwin Spencer wishes to thank the ECCB and in particular the Governor, Sir, K Dwight Venner; for its unwavering assistance and for supporting our efforts to assure the general public; and in particular the customers of the Antigua Bank Limited that their deposits with the institution remains secure.**

**The Government of Antigua and Barbuda; also wishes to thank the Prime Minister and Minister of Finance, of St Vincent and the Grenadines; Dr. The Honourable Ralph Gonsalves; and the other members of the Monetary Council for their support. Further, I wish to thank the Antigua and Barbuda delegation headed by the Financial Secretary, Mr. Whitfield Harris who participated in consultations and facilitated the formulation of this institution. The delegation also comprised the Deputy Solicitor General, Misses Karen De Freitas Reid; Treasury Consultant, Dr. Cleopatra Gittens and Macro Economic Advisor in the Ministry of Finance and Economy, Mr. Kevin Siltson.**

**Also forming an integral part of the delegation was the Chairman; Directors of the Board of Management of the Antigua Commercial Bank and representatives from KPMG, Eastern Caribbean, including the Managing Director”.**

I should point out that our own Brian Glasgow was part of that team of KPMG; working with the Antiguan delegation.

**“Finally, the Government of Antigua and Barbuda wishes to reiterate its unwavering commitment; to preserving the stability of the Domestic Banking Sector; maintaining confidence in the ECCU Financial System; protecting the interest of all who operate legitimately within our financial space and above all safeguarding the deposits of the people of Antigua and Barbuda”.**

Mr. Speaker, Honourable Members, across the region, across this Caribbean this initiative has been hailed as a revolutionary break through in the Banking Sector in the ECCU. An esteemed Queens Council out of Grenada, Dr. Francis Alexis in a Press Release summed up the regions commendations in the following terms:-

**“This emergency takeover of Stanford’s Bank to protect depositors must earn the Eastern Caribbean great admiration world wide and make the Eastern Caribbean peoples proud of themselves”.**

Dr. Alexis QC as we know is the Chairman of the Drafting Committee for the Reform Constitution of St Vincent and the Grenadines. Today, Tuesday, February 24<sup>th</sup>, The Nation Newspaper of Barbados editorialised under the caption: *‘Positive Banking Move by the OECS’* in part as follows:-

**“The Monetary Council of the Eastern Caribbean Central Bank, acting in collaboration with the governments of the OECS deserves commendation for moving swiftly to safeguard stability of the EC currency and to encourage public confidence against the backdrop of runs on the Bank of Antigua by depositors following exposures of the huge financial scandal involving the American Entrepreneur, Sir Allen Stanford”.**

The Editorial goes on:-

**“By yesterday, after requesting a due diligence report, arrangements were expected to be concluded for the replacement of the BOA by a consortium of five indigenous banks of the OECS sub-region, to be known as the Eastern Caribbean Amalgamated Bank.**

**Viewed as a unique and radical development in the banking system in the wider Caribbean Community, it is significant to note that this move by the ECCB and OECS governments has followed an earlier initiative by the Eastern Caribbean Currency Union for a review of regulations governing banking and investment systems, in the Eastern Caribbean.**

**That decision was taken at a meeting last month, prior to the explosion of the fraud scandal and charges laid against Sir Allen. The ECCU had mandated the creation of a Regional Task Force, under the chairmanship of Vincentian Prime Minister Ralph Gonsalves, to also seek the active involvement of the governments of Barbados and Trinidad and Tobago for a special meeting to deal with the regulatory problems relating to banking and the financial system”.**

That is the Nation’s Editorial. Mr. Speaker, Honourable Members, the ECCB and the Indigenous Banks have fashioned an appropriate response to a regional problem. At a systemic level, it provides a strong buttress to our

banking and financial system. It engenders confidence to the depositors and investors of the Bank of Antigua Limited. Moreover, it offers a possible template for a further nexus or integration of the Indigenous Bank. It encompasses too a vision of what is possible when we act together regionally in our people's interest.

This is a monumental step forward to integration in practice; difficulties may await us but the possibilities are immense. It marks a coming of age of our sub-region in our Banking and Financial System. At a personal level, Mr. Speaker, I am overjoyed to have been at the heart, the center of this evolving and altered order in commercial banking in our sub-region. Our Caribbean civilisation is being further ennobled in practice. A crisis is a terrible thing to waste; we must move forward in unity; at this time of great challenge and opportunity.

The lasting legacy of the international economic crisis, which has affected the Caribbean adversely; ought to be a profound deepening in practice of the regional; economic and political enterprise and we must ensure that this legacy endures forever. Mr. Speaker that is I think as full and comprehensive a statement that is possible to deliver on this matter; from the time it has commenced to where we are today. I will make copies available to members of this Honourable House and to the Press; because there are some people who feel that these matters should be dealt with in secret and don't give information to the public. Obviously, the Memorandum of Understanding; the whole Memorandum of Understanding cannot be made public by me; for the simple reason that you have other institutions involved in this matter.

I make this point because and was careful to quote at length the Governor and the official documents, because in matters like these, Mr. Speaker, it is important that we stick to the record. This is not a time for extempore. Mr. Speaker ...

**HONOURABLE MR. SPEAKER:** Honourable Member.

**HONOURABLE ST CLAIR LEACOCK:** I noticed Mr. Speaker that you touched your Erskin may, maybe for ...

**HONOURABLE MR. SPEAKER:** The?

**HONOURABLE ST CLAIR LEACOCK:** You touch your Erskin may or authority, I suspect, you may want to [Inaudible] or revise your position that we cannot ask questions. But I wonder under the extenuating circumstances whether the Prime Minister may have been generous enough to just allow a clarification on the matter that is important because I think the public and the students may not know that we cannot in fact ask questions on such important matters. And I was tempted to inquire for example what the 15% investment by St Vincent; what it constitutes? Obviously, there other questions that will come later: but at least if we could have had an idea our 15% investment what it amounts to?

**HONOURABLE MR. SPEAKER:** Yes ... I would have ...

**DR. THE HONOURABLE RALPH GONSALVES:** May I just say Mr. Speaker, if my Honourable friend had listened very carefully to the statement... We have set up an entity currently to manage and control the

Bank. The Central Bank had beginning since the 20<sup>th</sup>, under its emergency powers. This new entity is now in control from today onwards. We have agreed with the Governor of the Bank for the shareholding to be distributed 15% to each of the participating banks and 25% to the Government of Antigua and Barbuda; while 25% would be divested within a reasonable time on the Eastern Caribbean Securities Exchange to the citizens of the Eastern Caribbean. I expect that a lot of Antiguan and Barbudans certainly would line up to buy those shares.

Now, a due diligence is ongoing because clearly, even though Price Waterhouse Coopers; even though they have done a great deal of work over the past two days; one would appreciate that in doing a full due diligence that you would require more time. And that is why the actual sale to the entities which will then become ... the new entity will become The Eastern Caribbean Amalgamated Bank; that sale and what the value would be of that sale of each of the 15% would be determined consequent upon the due diligence.

We know enough however that in respect of the dealing with the continuing liquidity that these five participating Banks; the Government of Antigua and the Central Bank would address on an ongoing basis the liquidity issues. So, by the time we come to the question of the sale; the actual transfer of each of these 15% and 25% as aforesaid that we will have a clearer picture of the value and the Governor under the emergency powers then completes the sale. I do not know ... it is a clear process.

**HONOURABLE ST CLAIR LEACOCK:** So, going forward there is a significant element of good faith at this time in the exercise.

**DR. THE HONOURABLE RALPH GONSALVES:** Well yes. You see: the Central Bank is spearheading this.

**HONOURABLE ST CLAIR LEACOCK:** I accept

**DR. THE HONOURABLE RALPH GONSALVES:** And the point about it is this: the ... completely aware, Mr. Speaker; if I may be permitted.

**HONOURABLE MR. SPEAKER:** Very important issue.

**DR. THE HONOURABLE RALPH GONSALVES:** We are all practical men and women of affairs and some of us know more about banking than others. What were some of the practical options facing the Governor? I am not speaking here now for the Governor. I am talking now about somebody looking on; as someone who is going to exercise his powers. Among the options he had would be:-

One: to go in and work with the existing management and the existing owners; well that had a problem. There was a run on the bank; the Central Bank is providing liquidity and the mind and body of the bank is in communicado. And the Directors as the Governor has said to him "*come in*". So, the Governor of the Central Bank went in: but there was no ... you couldn't say; well, I am taking the existing management; ownership;

everybody to work this problem out that was not an option practically available to him or sensible for that reason; I would say not sensible.

Secondly, having gone in he could have said 'I am going to have this bank liquidated'. Well, you know what would have happened in the case of liquidation; there *is a knock on effect of crisis of confidence* throughout the banking sector; not only in Antigua and Barbuda: but throughout the OECS. Experience has shown if you have liquidation some people may get their money if they went first and others may not get or get late because their assets have to be realised. The assets have to be realised; and the Governor had of course, to identify the context in which all these decisions are being taken. And I do not have to repeat the context.

The third thing is to get somebody to buy the bank; to enter discussion for the purchase of the Bank. Well, you could have gone to a foreign bank xyz limited and say 'would you buy this'? Or you could exercise a more practical option with indigenous banks to build the confidence and at the same time, Mr. Speaker, to ensure ... And I am sure that the Governor did not consider this: but I am saying that this is a good thing or he may have considered, I do not know; because I cannot get into his mind; that we are strengthening the regional integration movement further; which is in itself an objective of the Central Bank and the OECS and all of us who are here in this Parliament.

So, faced with that option what would a reasonable man pursue? And then this question of putting all the technical mechanics in place; to get us to where we are because time is of the essence. But we know enough over the last few days of the Bank of Antigua to make the kind of decision, which we have taken though the *Due Diligence* is not complete.

**HONOURABLE MR. SPEAKER:** [inaudible] move on [inaudible].

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, may I just?

**HONOURABLE MR SPEAKER:** Honourable Leader of the Opposition; in relation to the same matter?

**HONOURABLE ARNHIM EUSTACE:** Yes. Mr. Speaker, you have gone into an area which is not in keeping with the ruling; you have made in respect to these kinds of things.

**HONOURABLE MR. SPEAKER:** Yes, I realised that.

**HONOURABLE ARNHIM EUSTACE:** I am wondering given ... and I believe given the climate all over the world today and even our climate that we could have more and more of these kinds of statements being made. And I would think that some consideration will have to be made for questions of the type just asked by Senator Leacock.

**HONOURABLE MR. SPEAKER:** Okay.

**HONOURABLE ARNHIM EUSTACE:** In that context, I am wondering whether you are reconsidering your long held rule in terms of responses to ministerial statements.

**HONOURABLE MR. SPEAKER:** All right that is an issue that we could look at: can consider; as you rightly said in the context of what is taking place now in the world. But also we know that we are doing an amendment to our Constitution and obviously, as we do we have to also consider the amendment to the rules of the House and maybe also that is another area in which we can consider this; so that these things can be sort of totally integrated. But as you rightly said, that it is a matter that we have to look at as Members of Parliament of course, we have an area; an avenue where we can meet to discuss issues like these and I am sure that in the circumstances we would be quite willing to and ready to meet so that we could have this issue and others like it discussed and come to some decision on them. Thank you very much.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, I had promised on the last occasion that if I had an update on the CLICO matter and in particular the extent of the exposure of St Vincent and the Grenadines. I had given the exposure of the State institutions in respect of CLICO of both Trinidad and Barbados broadly speaking; the CLICO group which includes British American and everything. And I had said that the National Commercial Bank had sixty odd million dollars, sorry the NIS and the NCB had about thirteen and they were largely in annuities. I want to report now, Mr. Speaker that the exposure for St Vincent and the Grenadines; the figures that we have is EC \$401.61 million.

Throughout the whole of the OECS, the figure is of excess of 1.7 billion; in excess of 1.7 billion. [Inaudible question] Yes! Yes! EC dollars; this is EC unless I am using US Currency; in the House I will always use ... unless I say US or whatever currency, I mean EC. Mr. Speaker, the insurance liabilities in St Vincent and the Grenadines as follows:-

- 1) *British American: \$190.83 million*
- 2) *CLICO which includes monies from Colonial Life; which predated CLICO: \$160 million.*
- 3) *External Deposits with CMM; that is the Money Market Brokers; Caribbean Money Market Brokers owned by CLICO: \$12.18 million.*
- 4) *CLICO Trinidad: \$27.05 million. [Interjection] \$27.05 million.*

**HONOURABLE MR. SPEAKER:** \$27.05.

**DR. THE HONOURABLE RALPH GONSALVES:** continues –

- 5) *CLICO Barbados: \$5.52 million.*

Of course, I should point out in this regard; CLICO Barbados is deeply tied to CLICO St Vincent and the Grenadines: that is where the connection is: but you will have people who are specifically in CLICO Barbados.

6) *And British American Trinidad: \$5.4 million.*

Now, I said that the ECCU Countries in excess of \$1.7 billion that we were seeking to gather all the figures throughout the region and we reasonably suspect that there may be one or two numbers, which are not all in, from one or two of the countries: certainly in excess of \$1.7 billion and therefore, rising close to \$2 billion, which is a ... for both what you may call loosely; the Trinidad and Barbados CLICO: in all there various companies British American: CMMB; British American and alike.

Mr. Speaker, there are in addition of course, to the Government which I have indicated, there are State entities too and other Private Sector entities which have their pensions there; Port Authority; VINLEC; other entities; Private Sector Companies too; Credit Unions have significant investments with them; other entities in addition to ordinary citizens who own annuities. I must say this that those annuities owned by us and which have become due, and I will speak to that when I answer the question for the Honourable Leader of the Opposition on the NIS; that we already had annuities which have come due have been paid. So, that there has been no default which has come to our attention at all. And you will recall that I gave a clear statement based on the assurances and the guarantees out of Trinidad and Tobago and what came out by letter out of Barbados and also in private communication with the Prime Minister of Barbados and also with the Government of the Central Bank in Trinidad and Prime Minister Manning; I do not want to go over that earlier statement which I gave.

The public would probably be wondering why is it that the Prime Minister has given NIS and NCB and not general? Because in these matters, I believe that we can address these issues transparently, and give information which we are required to give because the lesson out of Trinidad and Tobago is that we had the Governor very early coming out giving the facts: this is what we are going to do and so on and so forth and that helps a great deal. Similarly, when Mr. Parris from CLICO Barbados came here you would note that I did not avail myself to meet him he met the regulator of the insurance because this is not an issue for public relation. I have no legal authority in relation to insurance; from the standpoint of supervision. We passed a law here; that power resides in the Insurance Regulator; talk to the Insurance Regulator, this is not a time for public relation exercises.

I believe that every sensible person in St Vincent and the Grenadines; every reflective person would agree with me with that because we are talking about people's welfare; their resources and how the Government handles itself would contribute to the issue of trust and confidence in respect to these matters and that is why I have decided to bring these to you. I must say I brought them to you having consulted with the Registrar of Insurance whom I put it to him: that I thought that now that the data are in for the exposure to St Vincent and the Grenadines; I ought to bring it to the attention of the public and he agreed with me. So, again I do not want anyone to think that I have just brought this of my own. On these matters, I have to arrive at decisions after proper advice and sober reflection.

Mr. Speaker that was one of the short ones: Honourable Members would recall that I had spoken in terms of providing...

**HONOURABLE MR. SPEAKER:** Honourable Leader of the Opposition, just a minute Honourable Prime Minister [inaudible].

**DR. THE HONOURABLE RALPH GONSALVES:** Sure.

**HONOURABLE ARNHIM EUSTACE:** Honourable Prime Minister, one question to ...

**HONOURABLE MR. SPEAKER:** Wants to ask a question?

**HONOURABLE ARNHIM EUSTACE:** clarify further. Does he have a breakdown roughly Private Sector as against Public Sector both for St Vincent and regionally?

**DR. THE HONOURABLE RALPH GONSALVES:** We can have a broad one. The difficulty is this: for instance the Public Sector, VINLEC, I am not talking here about VINLEC itself putting money in: but VINLEC is exposed to CLICO because of the Pension arrangements; well, that is the workers money and that is Private Sector though it takes place within the umbrella of a Public Sector entity. So, with that caveat the data would be available from the Registrar of Insurance and certainly here in St Vincent and I expect that that would be available too with that breakdown regionally.

**HONOURABLE ARNHIM EUSTACE:** How you arrived at 401?

**DR. THE HONOURABLE RALPH GONSALVES:** How I arrived at?

**HONOURABLE MR SPEAKER:** How you arrived at 401?

**DR. THE HONOURABLE RALPH GONSALVES:** Yes, because what happens is that the pensions, we would take them as insurance liabilities as distinct as the external deposits; so I would put all of those with the private insurance and insurance involving VINLEC; any other company; xyz limited: as insurance liabilities, which will include the pension arrangements. The matter of annuities; endowments and any other instrument which is an insurance liability by nature as distinct from an external deposit: as say with CMMB or other kinds of instruments, okay.

**HONOURABLE ARNHIM EUSTACE:** I certainly want to get a broad picture as to whether it is one third private towards public or the other way around?

**DR. THE HONOURABLE RALPH GONSALVES:** The vast amount of exposure is the private. Vast! Vast! Because the two direct ones are the big ones which I gave: NIS and NCB. The others really involved pension arrangements which are taken out. The employer put some but there are employee deductions too. So that is really a private arrangement. That is a private insurance liability. But by far the bulk is private.

Mr. Speaker, I had mentioned earlier that we are seeking to strengthen the social safety net, of citizens arising out of the fallout of the international economic crisis and we have put together through the NIS, a programme which we are calling the Elderly Support Benefit Programme, EAB, which is a programme with some different criteria than the traditional NAP- The Non Contributory Aged Assistance. First of all, the amount of benefit under this programme will be \$37.50 a week which is just like the NAP: but it will be paid fortnightly, so it is

\$75.00 every two weeks. And we are having 300 persons, this will cost the NIS \$585,000.00 a year and the leadership of the NIS in discussions with the actuary, had given the life expectancy and the criteria, this would amount to a payment over ten years, an assumed ten year period of \$5.8 million. So, it is a substantial strengthening of the safety net through the NIS. The criteria are these, and I said 300.

- **The person must be age 45 and older on the 5<sup>th</sup> of January, 1987.**
- **The person must not be engaged in remunerative employment.**
- **They must not have a similar kind of income as the EAB Benefit. (In other words, you are not going to have a double dipping. You cannot go on the NAP and you cannot go on the State Public Assistance and get the external assistance benefit.)**
- **You must not be receiving any pension income from the NIS. (So you can't be a minimum pensioner, get that and then come and dip into this.)**
- **We want to focus it mainly on persons who have been working in the informal or seasonal sector. Persons who have been actively involved in the informal and seasonal sector mainly; because we have a number of persons who have been so engaged and who are not any more involved in the sector; and**
- **They must satisfy a residency requirement. You got to be a resident in St. Vincent. You got to be here, you must be resident for at least four of the last five years, and you must have been resident of St. Vincent and the Grenadines for at least 25 years since your 20<sup>th</sup> birthday.**

So, these are people who have a tie to our country and people who have sweat equity in the land. And who have engaged in informal activities but who can no longer do so. And if the person is 45 at the beginning of 1987, that is 13 and 9, that is 22, so the person will be 67 years old and over, so this is further strengthening old people, you know. I see, the Honourable Sir Louis Straker is mentioning that he would shortly be over... but he would not qualify given these conditions. So, I want to make that...

Mr. Speaker, I want to read the... it is a brief, a two-page statement. The IMF statement at the conclusion of the 2009 Article (4) Consultations Discussions with St. Vincent and the Grenadines as you know, these are the regular Article (4) consultations.

**"An International Monetary Fund Staff Mission issued the following statement on February 12<sup>th</sup>, 2009 in Kingstown. An IMF Staff Mission lead by Miss Katherine Patel, Deputy Division Chief in the Western Hemisphere Department visited St. Vincent and the Grenadines during the 30<sup>th</sup> of January to the 12<sup>th</sup> of February to conduct the 2009 Article (4) consultation discussions. The discussions covered economic development and policies, as well as the near term risks and the medium term outlook.**

The Mission received excellent corporation and benefited from a constructive exchange of view, with Prime Minister Dr. Ralph Gonsalves; Leader of the Opposition, Arnhim Eustace; Director General of the Ministry of Finance and Planning, Maurice Edwards; other senior government officials, as well as representatives from the private sector, financial sector, farmers and trade unions. Following two years of brisk growth, the highest in a decade, key macro economic indicators deteriorated in 2008 amidst the global economic down turn. Economic growth is estimated to have fallen from 7% in 2007 to around 1% due to sharply weakened activities in tourism and agricultural sectors. Inflation rose sharply in the first three quarters of 2008, reflecting higher world fuel and food prices but declined to 8.7% at the end of the year as these prices eased. Consistent with a slowing economy, private sector credit growth decline to about 3% in 2008.

The Central Government Fiscal position has been strengthening, since 2005, in 2008 the Fiscal deficit was lowered to 1.7 per cent of GDP, and a primary surplus was achieved. Larger grants and continued improvements in tax administration complemented a solid VAT performance. The VAT which was introduced in 2007 has exceeded expectations both from a revenue and a compliance perspective. Total expenditure declined as a percentage of GDP as lower capital expenditure also made room to reinforce social safety net to protect vulnerable groups. The income and corporate tax reforms implemented in 2008, and continued in 2009 aimed to reward and enhanced the competitiveness of the economy. Providing timely support to economic activity.

The Mission commends the Government of St. Vincent and the Grenadines on the establishment of a Tax Reform Commission, which aims to make a set of comprehensive recommendations by the end of 2009; including enhancing legislations and revamping the tax incentive system to broaden the tax base. On going improvements in Customs Administration is also expected to strengthen revenue potential and efficiency. The Government has made progress in fiscal consolidation in recent years, but faces a challenging environment. The global economic down turn and fiscal crisis has weakened growth prospects for 2009. Most of St. Vincent and the Grenadines Tourism source countries are projected to suffer recessions in 2009, significantly dimming the prospects for the tourism sector. Declining tourism receipts, remittances and lower foreign direct investment will adverse affect output growth and constraint banking sector liquidity. In this context, the IMF Mission discussed the importance of steps to improve competitiveness, enhance the business climate by reducing the cost of doing business and address tourism related infrastructure constraints.

The Mission shared the Authority's view that the construction of a new International Airport is necessary to develop tourism industry further; to avoid compromising the efforts of...and to put debt on a downward path. There is a need for sustained fiscal consolidation in conjunction with continued availability of concessional financing, including in kind grants for the airport project. The Mission encourages the authorities to continue efforts to minimize the need for bridged commercial financing in the face of tightened global and domestic credit availability in 2009:

**including through mobilizing more grant and concessional resources and being flexible with the construction timetable to the extent technically feasible.**

**The Mission welcomes recent steps towards consolidating the regulation and supervision of the domestic non bank financial intermediaries in the Ministry of Finance, in view of developments in the global financial system, further strengthening regulation and supervision of the domestic, financial system, including both domestic banks and non banks and the offshore financial sector is a top priority. The Government has made progress in pursuing social and poverty reduction goals.**

**The Mission welcomes the on going efforts to mitigate the hardships faced by vulnerable groups through social programmes. The country's poverty assessment report during May 2009 will provide an important tool to enhance the strategy for alleviating poverty and to improve further the effectiveness of social programmes. The Mission thanks the Government and people of St. Vincent and the Grenadines for their excellent cooperation and warm hospitality and wishes them every success in their on going efforts to restore economic growth and to reduce poverty and unemployment."**

Mr. Speaker, accompanying this was also a group part of the same discussion but one which dealt with the Eastern Caribbean Currency Union. I have asked that both of these be put on the Website. I just want to say, Mr. Speaker that in the context of the ECCU, our own situation was assessed to be in better shape because we have the lowest debt to GDP ratio in the OECS at the moment, 67% when everybody else... the next is St. Lucia which is 72% going right up to St. Kitts which is 170% of GDP. I am not putting Anguilla and Montserrat colonies in this.

Mr. Speaker, similarly, we have had growth, average growth rate for St. Vincent and the Grenadines over the last eight years is higher than the OECS average. And as you see there are many commendations here from the IMF; but we also face the reality of declining growth following robust growth in 2006 and 2007 because of the external situation. This year, Mr. Speaker is not going to be a walk in the park and we need to be very focused and we need to work harder and smarter. I am obliged, Mr. Speaker. I think the issues on which I have dealt with today are of substantial concern to the people of St. Vincent and the Grenadines and the wider Caribbean. I am obliged.

## **REPORTS FROM SELECT COMMITTEES**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, as Chairman of the Select Committee on the Banana Industry Bill, I beg to lay on the Table the Report of the Select Committee and the Minutes of the Select Committee.

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

## QUESTIONS FOR ORAL ANSWERS

**HONOURABLE ARNHIM EUSTACE:** Let me join others in welcoming the students from the J.P. Eustace School. I welcomed them privately this morning; but I want to join in the welcome given by members of the Parliament.

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

1. **HONOURABLE ARNHIM EUSTACE:** *I rise to ask Question No. 1 standing in my name of the Honourable Prime Minister and Minister of Finance, Economic Development, Labour, Information, the Public Service, Legal and Grenadines Affairs.*

*Given the significant exposure to CLICO and related companies of the National Insurance Services (NIS) of some \$62.0 million in an NIS investment portfolio of approximately \$250.00 million at the end of 2007;*

*Will the government agree to reduce that exposure to more manageable or less risky levels as investments mature?*

**HONOURABLE MR. SPEAKER:** Honourable Prime Minister and Minister of Finance.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, the National Insurance Services has an investment policy which is well known; those which relate to issues of safety, of returns, the liquidity, all the usual criteria; and pledges to continue its management funds with a high degree of prudence, diligence and care. To this end, the institution will engage as it always does in on going reassessment and portfolio rebalancing so that we can have greater diversification across geographies, asset classes and issuers in order to mitigate the effects of the current global crisis and to enhance the actuarial soundness of the insurance services.

Mr. Speaker, as of December 31<sup>st</sup>, dealing with the issue of geographic diversification across geographies the following are countries in which investments are located for the NIS; Aruba, Bahamas, Barbados, Belize, Cayman, St. Kitts, St. Lucia, Martinique, St. Martin, St. Vincent, Trinidad, Jamaica, Turks and Caicos, Panama, the Isle of Man. Mr. Speaker, it has to be understood that in order for us to pay the benefits which we pay on the NIS we have to invest our monies; because if we do not get investment income we are not able to administer the NIS and pay the benefits, which we pay because the contributions, which you make and which the employers make, the contributions are far from sufficient to pay the benefits, and that is why every three years we have an actuarial study and we have to look at these things over and over to ensure continued soundness.

Mr. Speaker, in terms of issuers for the investment portfolio, I will just read what we have here without giving the numbers, and come to the second part of the question by the Honourable Leader of the Opposition; I have given the geographic spread, but we have investments with British American Insurance, CLICO (St. Vincent

and the Grenadines LTD), CLICO Insurance (Trinidad and Tobago Ltd), CLICO (Barbados), the Government of St. Vincent, the Agriculture Corp Bank, National Properties Limited, National Commercial Bank, Kingstown Cooperative Credit Union, the St. Martin Harbour Cargo, SVG Development Bank, National Lotteries Authority, National Insurance Services, Eastern Caribbean Financial Holding Company, Sagio Merchant Bank, Bank of Nova Scotia Trust, Bahamas Limited, Eastern Caribbean Exchange, Campden Park Container Port Limited, the Eastern Caribbean Home Mortgage Bank Limited, Grace Kennedy Limited, Royal Bank of Canada, Caribbean Money Market Brokers, First Caribbean International Bank, RBBT, RBBT Merchant Bank, Republic Bank Trinidad Limited, St. Vincent and the Grenadines Corp Bank, St. Vincent Teacher's Credit Union, Kingstown Cooperative Credit Union, Citi Bank Trinidad Limited, then we have bonds from the Governments of St. Lucia, Barbados, Belize, St. Vincent and the Grenadines, St. Kitts/Nevis, Turks and Caicos, Trinidad and Tobago and Aruba. MANN Investments, MANN RMF Multi Style Limited, Princess Juliana Airport; AIC Financial Group Limited, Gulf Financial Holdings Limited, Consolidated Water Company, CLICO Investment Bank, Trump Ocean, First Citizens Bank Limited, Mt. Wynne, where they own some lands, Petroleum Company Limited, Trinidad Cement Limited.

And of course, some of these are investments which are new, some are continuing before we came to office, and it is always important that the investment committee and the NIS Board, the management and in the final analysis, the Minister responsible that we ensure that the investment policies followed that it is actuarially sound. And I gave the geographic spread and I have also given the issuers. And people can see the extent of the issuers. Somebody may say for instance that the case of Princess Juliana Airport, where under the previous administration, they were loaned \$15.3 million which is 4.5% of the investment portfolio. I think it is a good investment. Quite solid. As I repeat, you need to have investment monies coming in so that we can pay the benefits and take care of people in their old age. For instance, if the NIS was not making money the programme which I just announced, if they were not in a good condition, I could not have mounted another programme, another non contributory programme for over half a million dollars this year; to take care of 300 additional old persons.

Mr. Speaker, as the 31<sup>st</sup> of January, 2009, the exposure to CL Financial Holdings that is to say all of the CLICO Group of Companies, that is to say Trinidad, Barbados, St. Vincent, under what name, British American, whatever the names stood at EC \$61.8 million, which represents 18.2% of the total investment portfolio of \$340 million. The question the Honourable leader of the Opposition, the investment you had for \$250 at the end it is \$340, not \$250. Yeah! Yeah!

These investments in the subsidiaries of CL Financial Holdings spread across maturities dates ranging from February, 2009 to May 2012, as I have indicated earlier. It is the intention of the NIS, to reduce this exposure for CL Financial Group, and we had intended so, even before the CLICO issue arose, by challenging the mature funds into other safe and sound investments and also to facilitate private sector development here. Honourable Members would recall that I have said that we are putting aside a \$25 million coming from the NIS towards private sector development for this year, and we are doing that well, the people have to go to the banks in any case, they may not get the \$25 million in this year, it may be over 14 months; but what is happening: NIS is retiring in an orderly way many of its annuities. Already for instance, that which has been retired two point something million dollars that has gone into the fund already to the National Commercial Bank and that will do

several things clearly; apart from supporting private sector development in St. Vincent, especially at this time, with the \$25 million. It strengthens the liquidity position of the National Commercial Bank; because as we know the liquidity situation is tightening, and I have explained that already in the earlier statement and I have a question to answer later on the liquidity situation in St. Vincent generally. And this is why it is so important for us to have these institutions.

You take for instance, Mr. Speaker, the Eastern Caribbean Home Mortgage Bank, a number of persons may see that bank and say, well it does not have as huge a portfolio as some people may want it to have; because it does not have a large base though it is growing. It is significant. But it is an important institution from this standpoint, let us say a credit union finds itself in a difficulty with liquidity, it can sell some of its mortgages to the Eastern Caribbean Home Mortgage Bank, and get the liquidity. The National Commercial Bank can also do that. It is true to say in the secondary mortgage market they will tend to buy you better mortgages, but you will have liquidity to lend to even other good mortgages of the first instance. And the way things have to be balance, we bring home monies from CLICO to NIS where you getting 8% and 9%, you are likely to get 8% and 9% when you bring it home to lend to the private sector; but it is important so long as you meet your 6.5% which is what the actuary is saying and in any event, if it is \$25 million; \$25 million out of \$340 million, and this is how you make the decisions in balancing all these factors among all the institutions.

I may say, Mr. Speaker that today, the public I believe would have gotten an advanced lesson in all the issues we are dealing with in money, banking, finance, investments and the like. I know that these are not subjects which are 'sexy'; but they are the live blood and we have to keep it for sober decision making. And frankly, I like when these questions are asked because the public get to know the information and transparency is assisted.

I want to say one other point, Mr. Speaker, and I tell all my Ministers the same thing, one of the critical accountability mechanisms of the House in a democratic country is question time; and I take the questions, dealing with the questions very seriously, and when my officials bring back answers for me, well, they are now accustomed to this, that I call them and I grill them on the questions. For instances this morning, if I may say in parenthesis apart from all the information being sent to me, I had Mr. Thomas from the NIS come to me this morning because I have to deliver the respect to this Honourable House and for the people of St. Vincent and the Grenadines, so that the question is fully answered and all the information is provided. I am obliged.

**HONOURABLE MR. SPEAKER:** Honourable Leader, Question No. 2 or Supplementary.

**HONOURABLE ARNHIM EUSTACE:** Number 2.

**HONOURABLE MR. SPEAKER:** Question No 2.

2. ***HONOURABLE ARNHIM EUSTACE:** I rise to ask Question No. 2 standing in my name of the Honourable Prime Minister and Minister of Finance, Economic Development, Labour, Information, the Public Service, Legal and Grenadines Affairs.*

*Will the Honourable Prime Minister please state the payments due from Government for goods and services provided but not paid at the end of December 2008?*

**HONOURABLE MR. SPEAKER:** Honourable Prime Minister and Minister of Finance.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, it is... I want persons to understand that any large enterprise, like the Government of St. Vincent and the Grenadines, which buys goods and services that at the end of any financial year, it will have monies outstanding; there is nothing wrong about that. There is nothing strange about that. Any enterprise, the smallest enterprise you have that situation. The question is to have as few payments as are reasonable in all the circumstances.

In 2000, the end of 2000, outstanding payments on goods and services was \$19.3 million. And it was 4.5% of a budget of \$424.14 million. And in 2008 it was \$27.03 million or 3.57% of budget of a \$757.37 million, so the sum is larger but it a smaller percentage, larger than 2000: but it is a smaller percentage of the overall budget. Now, it is important for us and I want everyone to hear this. It is important for us to have as small a number at the end of the year as possible; because the state is an important purchaser of goods and services and a lot of people in St. Vincent and the Grenadines rely on the state to purchase goods and services from them and we must deal with these payments as expeditiously as we can. And that is the long and short of the answer simple and straightforward.

#### **SUPPLEMENTARY QUESTION**

**HONOURABLE ARNHIM EUSTACE:** Supplementary, Mr. Speaker. Would the Honourable Prime Minister agree that the actuals in terms of percentage would be more relevant than the budget figure? The actuals for the particular year in terms of the actual amount of money spent from the budget.

**DR. THE HONOURABLE RALPH GONSALVES:** Yes, that also, that would also be important, but if we were to do the actuals, I think we would find that that number last year is probably less percentage wise; but the point is clearly the actuals are more important in that context.

**HONOURABLE MR. SPEAKER:** Question No 3 to the Honourable Member from the Northern Grenadines.

3. **HONOURABLE ARNHIM EUSTACE:** *I rise to ask Question No. 3 standing in my name of the Honourable Prime Minister and Minister of Finance, Economic Development, Labour, Information, the Public Service, Legal and Grenadines Affairs.*

*What is the status of the Mustique Community Centre that is to be built by the Mustique Company under the terms of the current agreement with the Government and in particular, when is it likely to be built?*

**HONOURABLE MR. SPEAKER:** Honourable Prime Minister and Minister for Grenadines Affairs.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, I am very happy that this question has been asked and frankly speaking the Mustique Company should have built this Mustique Community Centre already. Let me... because they were enjoined under the agreement so to do. So I want to make that point upfront so that you can understand my own representation to them, it is consistent with that point.

Now, this centre is of great importance to the people of Mustique, following discussions with the people and their representative group, namely the relevant Mustique Association with the people, an agreement was reached as to the proposed site for the centre. I am quite sure that the Member for the Northern Grenadines, the Honourable Member would know that there were various sites proposed and there were a lot of debate and eventually the area by the tamarind tree was agreed upon. I think that area is across the road by the gas station at the entrance to the village, almost at the entrance to the village. Yes.

A proposed plan is currently displayed on the site, I do not know when last he has been to Mustique but he would have seen the plan on the site; and this invited comments and suggestions from the residents. The Mustique Company has since taken some of the recommendations to the architects and some modifications are being done. It is obvious in an environment such as the Mustique that the esthetics of the structure must be in sync with the rest of the environment so that the dual purpose will be served. I have been advised that a durable and very beautiful building has been designed. Consultations, they took a long, long time on the consultations. The Finance Committee meets at the end of March, and then it will give a blessing to the building, which is estimated to cost \$2.5 million. The structure is a 30 by 120 structure. The Planning Committee meets in April and should give final approval to the plans. Conceptual approval, approval in principle has already been given. Construction, I have been advised will commence sometime by the middle of the year and will take about 18 months to build. That is what I was told.

**HONOURABLE MR. SPEAKER:** Question No. 4, Honourable for Northern Grenadines.

4. **DR. THE HONOURABLE GODWIN FRIDAY:** *I rise to ask Question No. 4 standing in my name of the Honourable Prime Minister and Minister of Finance, Economic Development, Labour, Information, the Public Service, Legal and Grenadines Affairs.*

*For several years now, a large section of the Grenadines Wharf in Kingstown, where the ferries dock has been in a state of disrepair, posing a grave danger to the travelling public and the ferry operators, will the Honourable Prime Minister please state:-*

- a. *Why the damaged portion of the wharf has been left in a state of disrepair for so long? and*
- b. *When the wharf will be repaired?*

**HONOURABLE MR. SPEAKER:** Honourable Prime Minister.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, the Kingstown Port Authority over the recent period has been engaged in a number of projects with a view to modernizing and upgrading our port

facilities. This process has been very costly. As a result, astute management of our resources with priority areas have had to be established and of course, we have to apply fiscal prudence while being enterprising. And in answering the question, Mr. Speaker, I would want to indicate what we have done in 2008 because there are several questions which come on port, and what we are doing in 2009 including the specific one dealt with by the Honourable Member for the Northern Grenadines.

In 2008 we purchased a crane for EC \$15 million for the Campden Park Port. We engaged a management consultant to review the current management and free structure. In fact, early next month I am having a meeting with the consultant and the whole team to finalize certain matters. And we have engaged an information technology consultant and the purchase of information technology equipment. Simple as that is that is over \$600,000.00; those who have been involved in these things will know the cost of information systems, consultants and equipment. This expenditure on the information technology system is designed to improve, the linkage of our three facilities, Campden Park Container Port, Port Kingstown and the Cruise Ship Terminal, along with developing the Port Authority Website and the linkage with the ASYCUDA at Customs. 2008 we have done repairs to the Bequia Water Front, \$295,000.00.

In 2009, work is to commence on the Canouan Wharf now of US \$70,000.00 but we also have to do some additional work because to tell the truth the Canouan Wharf was not properly constructed. The Member for the Southern Grenadines will know there is a slab there which fell in piece; it does not seem to have any steel in it. I do not know who built it; I think it is 1997 or 1998, they did that. It is important, you know... I make this point, Mr. Speaker, because we have to make this point both, in government and in opposition, they always want to help particular contractors, local contractors. But sometimes people get to do jobs where they do not necessarily have the capacity; I am not saying that in this case, but we have seen that happening so often and that something which is supposed to last much longer does not last as long as it should; because highly skilled people are not doing some of these jobs. So, we have to do the repairs to the collapsed section of the Canouan Jetty which was caused mainly because of a compromise in the construction, extension of the jetty in 1998. And now because that was not properly constructed it would cost at least \$350,000.00 to build it, because the works we are to do on Canouan, the scope of the works have to change. We are signing a contract to upgrade the navigation system in the Grenadines;, Union Island and Mayreau to the tune of \$167,000.00. Work would start on the 1<sup>st</sup> of March 2009.

We are doing some work minor repairs to the wharf at Paget Farm damaged by Hurricane Omar, well in fact, that has been completed I think already; small repairs. Then we are purchasing equipment, catering for the shift of the operation from Port Kingstown to the Campden Park Container Port, and the Caribbean Development Bank's study is going to be on the way for the rationalization of the port activities, and we want to look at both Kingstown and Bequia in that regard. So, as you will see, there is a significant amount of work which we have here and the CDB studies are going to produce a complete overall. So, the repairs to the specific sector at the Grenadines pier frequently used by Baracuda are under active consideration. The estimated cost is nearly half a million dollars, \$480,000.00. A tender would be advertised shortly and the work would be carried out during the course of this year. Actually, we intend during 2009 to carry out capital works for the Port Authority estimated \$7.6 million. It is a lot of work, because we need to get the port... as we are improving the air access, we have to do the same thing with the sea port. As you would notice in addition to improving the physical

facilities, we have to revamp the management structure and all that, and that is why we have set up the consultant there and information technology systems and so on and so forth. That is where we are.

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

5. **DR. THE HONOURABLE GODWIN FRIDAY:** *I rise to ask Question No. 5 standing in my name of the Honourable Minister of Transport and Works:*

*In light of the serious concerns recently raised by the Honourable Prime Minister about the tardiness in fixing potholes in the streets of Kingstown and given the alacrity with which your Ministry has responded in fixing the streets affected:*

- a. *Can we expect the main road to Paget farm near the Sugar Apple Inn, which was badly damaged by heavy rains several years ago and which matter I have on numerous occasions raised in the Honourable house, will receive much needed attention immediately; and*
- b. *When will the road be repaired.*

**HONOURABLE CLAYTON BURGIN:** Thank you, very much, Mr. Speaker. Mr. Speaker, I am happy to note that the representative for the Northern Grenadines is paying close attention to the address and presentation by the Honourable Prime Minister, which is a good sign, my good friend. I know Senator Leacock my friend always pay close attention to those.

Mr. Speaker, the Cabinet and the Ministry of Transport and Works have recognized the need for hastening the repairs of many of our roads and most of us would know that many of our roads have outlived their life span in some cases and along with the fact that since some of these roads are now carrying sometimes as much as 10 times the weight and traffic that they were not built to carry, we have to always be mindful of those and continuously repair them. As a result of this urgency, Mr. Speaker, the Cabinet Oversight Committee to deal with aspects of work mainly with road maintenance and repair at Public Works Department was set up, and Mr. Speaker, this Committee which is chaired by the Deputy Prime Minister and include the Minister of Transport and Works, Minister of Housing, Informal Human Settlement et cetera, the Permanent Secretary of Transport and Works and the Chief Engineer along with the Director of Finance and the Accountant General, reports to Cabinet weekly on the progress. To date, we have met twice and reported to Cabinet and the Cabinet Committee on the economy, so the Paget Farm road near to Sugar Apple Inn is one of the roads that would be repaired in the not too distance future.

Now let me tell you what the road requires for the construction.

- a. **The demolition of 272, 8 by 11 feet of reinforced concrete road payment.**
- b. **The construction of 133 feet by 6 8 retaining walls using 10 inch masonry blocks.**

- c. **Installation of base course to road foundation.**
- d. **Construction of 172 feet by 11 HRC which is reinforced concrete road pavement; and**
- e. **The construction of 247 feet by 2 foot box drains; and the estimated project cost is \$100,915.00, and the works are programmed for the second quarter of 2009.**

## **SUPPLEMENTARY QUESTION**

**HONOURABLE MR. SPEAKER:** Supplementary?

**DR. THE HONOURABLE GODWIN FRIDAY:** So, you said it is going to be repaid in the not too distant future? This is the same answer we got the last time and we need a definition of not too distant future.

**HONOURABLE MR. SPEAKER:** I thought he just did... you were not listening. He said it was programmed for the second quarter of 2009. Yes.

**DR. THE HONOURABLE GODWIN FRIDAY:** That is when it would be started and completed, the work itself.

**HONOURABLE CLAYTON BURGIN:** Yes, yes.

6. **HONOURABLE TERRANCE OLLIVIERRE:** *I rise to ask Question No. 6 standing in my name of the Honourable Minister of Education:*

*Students from the island of Canouan have been faced with various problems in accessing secondary education on the mainland, Bequia and Union Island; the residents have thus expressed the need for the introduction of secondary education on the island to aid accessibility.*

*Could the Honourable Minister please state what is the status of the construction of the proposed secondary school on the island.*

**HONOURABLE GIRLYN MIGUEL:** Mr. Speaker, Honourable Members, I must start by reminding the Honourable Member that there is a new school being built on Union Island. We are fully aware that the school itself is nearing completion and very importantly students' accommodation is also under construction. In 2006, a proposal was submitted by a committee headed by Father Andrew Roache to construct a secondary school in Canouan. Financial assistance was pledged by the Canouan Resort Development and the Government was being requested to provide additional assistance. A feasibility study was conducted by the education planner, Chief Engineer and other technocrats from the Ministry of Transport and Works. To date the following has taken place.

- **An additional four classrooms were to be constructed adjoining the office of the primary school to accommodate Forms 1 to 3. This two story structure was to be constructed on the left of the principal's office, running along the boundary of the school**
- **Another suggestion was to have the new building constructed at the site of the existing lodge; this was not the ideal site because of competing interest.**

As part of the study, the Ministry looked at the student population and in particular the number of students writing the Common Entrance Examination.

Mr. Speaker, I have with me some data and I would just take it from the year 2000. I would give the number of candidates and the number of passes. In 2000, 14 candidates wrote and 6 passed, in 2001, 16 candidates wrote and 5 passed; in 2002, 19 candidates wrote and 7 passed; in 2003, 17 candidates wrote and 6 passed; in 2004, 12 candidates wrote and 5 passed; in 2005, that was the year when we attained universal access to secondary education, 17 wrote and 6 passed; in 2006, 29 wrote and 12 passed; in 2007, 15 wrote and 12 passed; in 2008, 15 candidates wrote and 11 passed. It was observed that prior to 2005 when the students passed the Common Entrance Examination depending on their ranking they opted to attend schools on the mainland.

Mr. Speaker, Honourable Members, there have been and will be ongoing discussions on the subject, it is a foregone conclusion however that the government will assist students from Canouan as from any part of St. Vincent and the Grenadines in every possible way. Honourable Member, no child will be left behind in making sure that they have education. I am obliged, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Question No. 7, Honourable Member for Southern Grenadines.

7. **HONOURABLE TERRANCE OLLIVIERRE:** *I rise to ask Question No. 7 standing in my name of the Honourable Minister of Tourism;*

- Can the Honourable Minister indicate whether the situation surrounding two cruise lines that ply the Mayreau route namely the Pullmantur and the Windsurf which have reportedly pulled out of the route and filed for bankruptcy can be confirmed?*
- If in the affirmative, what measures if any, does the government propose to put in place to minimize the negative impact on the people of Mayreau and the rest of the Southern Grenadines?*

**HONOURABLE MR. SPEAKER:** Honourable Minister of Tourism is absent and the Honourable Prime Minister would therefore answer the question.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, first I should indicate that contrary to the statement that the Windsurf has pulled out, it has not pulled out of Mayreau. It still goes there and in fact will make its next call to Mayreau on Thursday the 26<sup>th</sup>. Sometimes these rumors go around and you need to make sure that they are corrected.

Secondly, in terms of an error *the Pullmantur Line* did not file for bankruptcy as alleged in the question. *Pullmantur* is the European arm of the *Royal Caribbean Cruise Lines* and its vessels *Ocean Dream* has pulled out and is currently calling at St. Lucia. *Pullmantur* has indicated to Corea's Tours and Shipping that it would be returning to our destination next cruise season with a minimum of nine calls, however it would be making those calls on St. Vincent.

The reasons why *Pullmantur* gave for the pulling out as I have been advised is that the *Pullmantur* Maritime Office has indicated the difficulty of the vessel *Ocean Dream*, anchoring in Mayreau during the time of bad weather. This challenge is associated with the draft or the height of vessel. The vessel *Blue Moon* which came before it was shorter in height and did not encounter the same problem. When *Pullmantur* returned to St. Vincent and the Grenadines it will call at St. Vincent with the vessel *Blue de France*, which will bring a different clientele, interested in the product being offered in St. Vincent. This they will do until they get a vessel that is better suited to the conditions of Mayreau.

*Pullmantur* has indicated that its visits to Mayreau contribute to its statistics significantly. And the unscheduled changes it was required to make was due to the sea surges occurring there and that caused some dissatisfaction among many of its clients. These unscheduled calls to St. Vincent meant overcrowding when other calls were in the port, so they were going there, to Mayreau and could not get in so they have to come up to St. Vincent and when they came up to St. Vincent you had an overcrowding in St. Vincent at the port making life a little difficult for them too. They are saying that the product offered here is different and they went. When they come back with *Blue de France* they will come into St. Vincent. Now, we are hoping that they can get an appropriate vessel because it is important that we get them to be going back there.

Despite the pull out of *Pullmantur* from Mayreau, I want to assure the Honourable Member that other calls will be made to Mayreau during the remainder of the season by the following vessels; *Ocean Village Sea Cloud II*, *Marcopolo*, *Windsurf*, and *Club Nedd II*. We are really sorry of what has happened to *Ocean Dream*, but clearly the reason given for the pull out is beyond our control. I mean, we may control many things but we cannot control unforeseen sea surges. That is beyond us. When we go to Miami at Annual Sea Trade Convention in March when our delegation goes there, we will have discussions with *Pullmantur* towards an early resumption of their calls. And we will also solicit the interest of other cruise lines in the product that is offered in Mayreau. So, we are not leaving it up. We are going to try and get them to come back with another vessel and we are looking for others still.

I should point out, that in regard to the further developments on Mayreau there is development which is estimated cost at least, I have been advised about US \$43 million, the *Lady Rock* Development, I do not know if the Honourable Member for the Southern Grenadines has heard about it, but the requisites, they are purchasing lands from the Eustace Family I have been advised, and they have made an application recently for the requisite Alien Landholding License and they are working with NIPI in relation to further development of Mayreau. So there are other things in the pipeline. As always, you know, I am a Grenadines man; always. And you see the amount of money we are spending down there, always. And some of the things I told you are not in the brief, which I have been given for this question to tell you that; I am on top of the issue thereto. And I talk

to more people down there than you believe and they tell me that they do not see you as often as they want to see you.

**HONOURABLE MR. SPEAKER:** Question No. 8, Honourable Member for the Southern Grenadines.

**HONOURABLE TERRANCE OLLIVIERRE:** Question No. 8, Mr. Speaker, but then you know, they see me more often than other people.

8. **HONOURABLE TERRANCE OLLIVIERRE:** *I rise to ask Question No. 8 standing in my name of the Honourable Minister of Health and the Environment:*

a. *What is the result of the study conducted by the Central Water and Sewerage Authority (CWSA) to assess the water situation in the Grenadines? and*

b. *If the results are acceptable, when will implementation of the findings begin to ensure that the residents of the Grenadines be provided with adequate water supply at all times?*

**HONOURABLE DR. DOUGLAS SLATER:** Mr. Speaker, Honourable Members, quite an ambitious expectation to supply adequate amount of water at all time to the citizens of the Grenadines, but it is one that we aspire to do. The National Water Resource Management consultants who have been commissioned to do a study of the Grenadines water supply have reported that work on the design of water distribution system layouts for Bequia, Union Island and Canouan is now completed. These designs have now been passed on to their economists for inclusion in the draft version of the feasibility studies which will form part of the draft final report, which owing to an extension of the project will now be issued late 2009. Once the feasibility and the affordability is established and accepted the CWSA and the Government of St. Vincent and the Grenadines will move swiftly to ensure an adequate water supply for residents of the Grenadines.

Now, Mr. Speaker, from that response we all are aware that meeting that request is not a simple task, all of us who know about water in the Grenadines knows that that has been a challenge for generation. We do know also that the pass administration who was headed by someone from the Grenadines, I would have expected that he would have thought of that, seeing he governed for 17 years and very little if anything was done regarding that aspect. I will leave it up to the citizens of the Grenadines to consider that.

Mr. Speaker, it was this government who really moved with this project, to try and respond to this. And Mr. Speaker, if I may say, it was this minister who salvaged a project in Bequia together with the environmental division which is currently considering actually working on a project, to supply a significant population of Bequia with portable water. It is fairly advanced in its preparation, we are trying to twin with it a sustainable energy project where we are hoping to use wind generated power to do that work.

Mr. Speaker, I understand the needs of all of our citizens which this government has been working assiduously to respond to in terms of water to all of its house holds. We have improved significantly on that, there are many persons who many years ago who did not even expect to have water to their homes, but now a project where the

CWSA and a policy decision of the government is offering that connection to all citizens to as many citizens as possible. Just recently work has started on a community in Touroma in an area where there has been some challenge in providing water and will continue to work as hard as possible to respond to the need of our people and especially the underprivileged of this country. Much obliged.

**HONOURABLE MR. SPEAKER:** Question No. 9, Honourable Senator Leacock.

**HONOURABLE ST. CLAIR LEACOCK:** Thank you, very much, Mr. Speaker, I just have a short menu of three questions for the Honourable Prime Minister today, about the economic development of this country. I start with question No. 9 of the Honourable Prime Minister.

9. **HONOURABLE ST. CLAIR LEACOCK:** *I rise to ask Question No. 9 standing in my name of the Honourable Prime Minister and Minister of Finance, Economic Development, Information, the Public Service, Legal and Grenadines Affairs:*

*The current international financial crisis and the role of Commercial Bank credit has brought into even sharper focus the subject of liquidity. It has been reported and indeed held at Banks in the Eastern Caribbean have excess liquidity. A recent view by the International Monetary Fund (IMF) officers is that this liquidity has dissipated.*

- a. *What is in fact is the accurate state of Affairs?*
- b. *Is it still true that there is much more credit available than there are investment requests? and*
- c. *What really is constraining borrowing in St. Vincent and the Grenadines?*

**HONOURABLE MR. SPEAKER:** The Honourable Prime Minister and Minister of Economic Development and Finance.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, money and credit conditions in St. Vincent and the Grenadines during 2008 have been characterized by continued growth in the money supply, expansion in credit extended to the private and public sectors and the relatively liquid banking sector though a sector in which liquidity has tightened. I use tightened as distinct from dissipated as is in the question.

The performance of the banking sector during 2008 was characterized by a 3.6 per cent increase in total monetary liabilities M2. The growth in M2 was also 2.5% higher than in 2007. The growth in M2 is reflective of a marginal 0.7 increase in narrow money M1 and a 5.2% increase in quasi money.

Domestic credit in the period January to December 2008 expanded by 10.9% to \$945.8 million; this was also greater than the amount expended in the same period in 2007. This expansion in credit in the year fueled by increases in credit to the private sector, 4.3% and the public sector 6.4%. The increased private sector credit was

mainly due to households, up 10.7% as business credits slowed by 4.7%. So, you see the increased credit to the households: but business credit also slowed.

The Commercial Bank liquidity measure of loans and advances to deposits increased rising from 82.9% at the end of the first quarter of 2008, to 87.2% at the end of December 2008. This is indicative of a degree of tightening liquidity position; because the measure of loans and advances to deposits increased, if you with me, from 82.9% at the end of the first quarter to 87.2% so that is what is reflective of the tightening but not a dissipation.

The data suggest that there has been an increase in domestic credit in 2008, so that the expansion of this credit itself would also have in some measure contributed to the tightening of the liquidity position in 2008: but that is not the only factor clearly and I would come to that shortly.

Now, I think the Honourable Senator would realize that the external reserve requirement of the Eastern Caribbean dollar is enshrined in Article 24 (2) of the agreement established in the Eastern Caribbean Central Bank. The bank is required to maintained external reserves in an amount not less than 60% of the value of the currency issued and in circulation. However, in practice, the Monetary Council of the ECCB has over the years carried a foreign reserve backing for the EC dollar way in excess of the statutory limit, in fact, the currency backing at the current time now in excess of 10%. This means that for every EC dollar in circulation there is in excess of that dollar in foreign assets behind it. In short the amount of currency in circulation is directly influenced by the amount of foreign assets held and earned by the Eastern Caribbean Currency Union.

During 2008 the foreign currency earnings to the ECCU as a whole declined as a result of a slow down in tourism earnings. Foreign Direct Investment (FDI) also slowed somewhat on the on set of global financial crisis and remittances particularly in some countries where you do not have a large number of persons working on cruise ships. You have remittances for all. Because this is something which if I may just pause to say this. If you look at the data, the persons who are working say on Royal Caribbean Cruise Line and employment on the Royal Caribbean Cruise Line, we have to say it as soft as possible, so that other people do not say to them, how is it that you employed so many Vincentians. It is estimated that about 1500, other people may start to get jealous. But those numbers in the statistics of remittances comes from the Royal Caribbean Cruise Line. So, that if you have a significant number of persons still employed on the Royal Caribbean Cruise Line as we do have, you would not necessarily have a sharp drop in remittances here as you may have in some other countries, certainly not as much as in Guyana for example; or proportionately say in Jamaica. But clearly there is some fall off of remittances consequent upon the economic melt down on Wall Street and London.

The weakening of the Pound Sterling also led to a fall off in remittances from the UK Diaspora although the 2008 preliminary balance of payments statistics for the Currency Union are not yet available, we can find evidence of the decline in the region's foreign assets by examining the monetary reserve for 2008. The data from the Central Currency Union indicates that in December 2008, the net foreign asset position, and the NFA position in Currency Union declined by 25.5% when compared in 2007. This decline was due mainly on account of the commercial bank significant draw down of their foreign assets during the year. At the same time, net domestic credit expanded by 13.7% due to increases in credit to the private sector, of which

households was 10.4%, business 11.4, during the period there was a marginal restriction of the narrow money by the Central Bank, but with the private sector increasing their deposits the overall money supply remained more or less constant.

The problem is this, which we have with the tightening is simple, the core problem, if we are earning less foreign exchange because of the slow down and it is a one to one relationship backing you have, it means that when the foreign exchange earnings fall, tourism receipts fall, foreign direct investments fall, remittances fall, it means that you have to pull in the money supply reflecting a tightening because you have to maintain a one to one relationship because that is the policy which we run: almost a Currency Board Policy at the Eastern Caribbean Currency Union; because that is the nub of the problem, so clearly to increase the liquidity, we increase the foreign exchange situation; you trying to get more grants, you try to get more foreign direct investment, you are hopeful that the remittances would come on if you have some money overseas, you try to see how much of it you want to repatriate.

Of course, there are people who try to increase the liquidity situation by going for loans and bringing in the monies, the only difficulty with that it affects your fiscal side and it would eventually come to haunt you even on the monetary side. So, this is where all this balance has to be done. So, there has been a tightening but not dissipation and the tightening is connected to the fact that we have had the decline in the foreign assets position. And I suggested ways in which that could be corrected in short term; of course the long term is earning more foreign exchange through the production of goods and services which we export.

The other part of the question that is to say, well from what I have said although there is tightening there is still credit available for investment in the system, what is really constraining borrowing? Well there are basically two things, and they are connected, the nature of the banks policy, the kind of project which go before them, that is the long and short of it. You know, if you go there with a good project and you have a good credit worthiness, the banks will lend to you. Now, one of the issues which we are addressing with the \$25 million injection through the NCB by pulling in some monies is really helping to strengthen the liquidity position which has tightened but also to see if we can make available for domestic private sector resources at a particular level of interest. We have had discussions on it already. We have met the Chamber and certainly we are going to try and see how we can keep the interest rate below 10%. Certainly not more than 10% a number of people of course are borrowing at 12%, 12 ½, 13, 15, but if I could complete the circle which began with the discussion by the Leader of the Opposition, or what I talked about the NIS, I mean CLICO earlier, we are bringing money from the NIS where you are earning, Mr. Speaker, 8 and 9% from CLICO, but you are going to lend the NCB at 6 ½, which means that the NIS would be taking a diminution in their investment earnings.

Admittedly it is a small per cent proportion of the portfolio, \$25 million out of \$340 million and that would certainly rise during this year. So, it becomes there, the National Commercial Bank they may want a spread of 3 ½; if they get a spread of 3 ½ that carries them to 10, maybe with their good customers we could ask them to take a spread of less, or in this particular programme; but in the case of the National Commercial Bank we have to find other areas for them since they are taking a smaller spread than they would normally take. We have to look for other areas in which they can earn money to keep their profits going. How can we do this? You know we have authority to borrow for the capital programme and we are going in March for \$45 million bond, but

one of the things which we are going to do, is give the NCB to manage it; not another entity, so that the NCB could use their institutional resources and manage our own bond rather than somebody else gets the commission.

But they may not be able to do 45, so they can do 15, 15 and 15 in three trenches, but they would collect their 1½% where someone else may want to charge you 2 or 2½% commission. You get it cheaper, the government, but you also help the NCB. I gave all this for the purpose of completeness to show the way in which we have to massage various institutions, which are available in the condition in which you find yourself. You may say why you want the \$45 million, and you do it, 15, 15, 15; I would need the \$45 million one time. I cannot spend the \$45 million one time but I could spend it in tranches. As you noticed, we are not allowing the events to control us, and we have to always be on top of this game.

**HONOURABLE MR. SPEAKER:** Question No. 9, Honourable Senator Leacock.

10. **HONOURABLE ST. CLAIR LEACOCK:** *I rise to ask Question No. 10 standing in my name of the Honourable Prime Minister and Minister of Finance, Economic Development, Information, the Public Service, Legal and Grenadines Affairs:*

*A recent report in a regional newspaper reports unemployment in Grenada as approaching 30%. The Grenadian economy is supposedly marginally better than of St. Vincent and the Grenadines.*

- a. *What exactly is the current rate of unemployment in St. Vincent and the Grenadines?*
- b. *What are the government's projections for the years 2009 and 2010?*
- c. *Which sectors, categories of workers and age groups are more vulnerable to the unemployment factor? and*
- d. *What is the unemployment rate for Central Kingstown by gender and how does it compare to the rest of the country?*

**HONOURABLE MR. SPEAKER:** Honourable Prime Minister and Minister of Finance.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, the way in which we arrive at the unemployment figures in some scientific manner is by having a population census or you can have a household census. The population census was in 1991 and the population census in 2001. A population census is due in 2011, so we are going to get a precise view of what the unemployment is like. But I can say to you in 1991 what it was like, 2001 what it was like, and to give estimations because we have to deal with what is precise. Now, in relation to Central Kingstown, if I may say this, I come from the backing so to speak, unfortunately census data is not collected on the basis of a constituency.

They are collected on the basis of census divisions which are not coterminous with constituency boundaries, so there is no way in unless we do a specific survey in Central Kingstown itself, household survey, we would not get the data on a constituency basis. But I can say to you, I would think that the unemployment rate in Central Kingstown given the level of services in which the people are involved in from Central Kingstown, as indeed the Kingstown constituencies that it is less than the national average, unemployment, that is to say fewer persons proportionately are unemployed in Central Kingstown than they are for instance in the country as a whole.

Now, the population in 1991, 15 years and above 67,873 persons, 15 years and above, in 2001, 73,678; the active population in 1991 was 41,682 persons; in 2001, it was 43,779. What is interesting to notice,... so you see the participation rate in the labour force, for the active population would have 62.3% in 1991 and 59.4 % in 2001. Unemployment, the persons who were unemployed in 1991; 8,238; in 2001; 9,258; numbers employed in 1991; 33,444 and in 2001, 34,521; and the census showed given those practical numbers that in 1991 you had an unemployment rate of 19.8 % whereas when the census was taken just after the NDP left office was 21.1 %; so, there had been an increase in unemployment in the last ten years of the NDP Administration.

Let us be clear what we are talking about in terms of unemployment. The population on Housing Census Report 2001 relates to the person; that person in the labour force and an unemployed person is someone who is looking for work, wanted work or who could not find work. According to the above definition, unemployment in St. Vincent and the Grenadines as I have said was 19.8 in 1991. You had 4,931 males, 3,307 females. In 2001, the unemployment rate was 21.1 per cent, 9,258 persons, made up of males 6,229 and females 3,029. So, the census showed that more men were unemployed than women. The next national population census scheduled for 2011 would give us that similar kind of a data.

However, to tell us where we are at the moment we can use two proxy indicators, to draw some general conclusion about unemployment in the country; and the two proxy indicators would tell us that since 2001 that this government has been in office, jobs have increased, we have had an increase in employment not a decrease. One: it has to do with the GDP growth; growth in the Gross Domestic Product between 2001 and 2008 and secondly the NIS employee registrations. Since 2001 St. Vincent and the Grenadines enjoyed consistent and significant real economic growth. Between 2001, and 2007 we experienced average real growth of 4.2 % per year, which is higher than the OECS average. And that is why we are catching up, we have gone passed Dominica and Grenada and we are getting there to making the assault on St. Lucia which is next in line. In 2001 we had negative growth of 0.09; just below .1 of 1 % that is in the year of 9/11; first year we came in. From 2002 onwards, we have had moderate to robust growth save and except last year, where protections are ranging in the 1 to 2 % region.

The IMF has acknowledged that the government's countercyclical fiscal policy has been instrumental in maintaining and increasing employment levels in the wake of the September 11<sup>th</sup> attacks. Now, there are several initiatives which this government has taken which has impacted positively on employment. Some specific activities are public sector investment programme, private sector, tourism, the work of a number of agencies for government. Reflecting in the growth which we have had and of course specific things like microenterprise programme; low income housing programme, et cetera, et cetera.

I want, Mr. Speaker, to look at the data at the end of 2000 compared to where we are in 2008. At the end of 2000 you had on the NIS, you had 29,959 active employees; those are people who are working and paying their NIS; 29,959. You had 1,696 employers and you 235 self-employed persons; giving you a grand total in 2000 of 31,890 persons. Now, it is true to say, that you would have had more people employed that 29,959 working, because a lot of people are working and not paying NIS. But the same issue would remain today, a lot of people who are working and not paying NIS, so that when I use the 2008 figures, we are using them against the backdrop of the same constant point that not everybody who works is on the NIS register. What is the situation in 2008? 3,047 persons active employees, that is up from 29,959, an increase of 7,088 active employees, in other words an increase by almost  $\frac{1}{4}$ , 23.6%. You got to admit that that is impressive. That is the reality. Those are not my figures, you know. I have them here. NIS gave me them. But when you add in 2008 the employers which are 2008, the employers which 2,141 and self-employed persons 1,111; you have the figure of 40,289, which is 8,399 more than in the year 2000.

You know, I hear people say that how business is closing down, that not enough people getting employed, you don't have employers. Now, the reality is this, in 2000 there were 1,696 employers. In 2008 there were 2,141 active employers, an increase of by 445 or by 26.2 %. Self-employed, in 2000; 235 self-employed persons were recorded at the NIS, now 1,101, an increase of 8,066 or 368.5 %. That has to do undoubtedly perhaps with some self employed people coming on; voluntarily going on, but it has to do with the micro enterprises loan programme, which has been very effective. So I give you the data in 1999 to 2001. I gave you the NIS figures and the inescapable conclusion is that employment has increased between 2000 and 2008.

Now, we are at the moment collecting the data through the Ministry of Labour and asking for the persons to go there and register and tallying those who have been laid off as a consequence of the external crisis: but it has not been as significant as say in Grenada. The most significant place where we have had the unemployment is down at Discovery Works Legal; because their operations were directly interconnected with the operation in the US and they got 62 unemployed out of the three hundred and something. Now, in a difficult situation over the last so many years, it has to be conceded, and I am glad you asked me the question, that I can have the undivided attention of everybody, it shows on the question of employment that the numbers have gone up under this administration. And I want to say this, I want to predict that when the poverty assessment study comes out by the middle of the year, I expect to see a significant reduction in hardcore poverty which was 27 % in 1996 – 1997, I expect to see that. It does not mean that we still do not have poverty which is intractable of a generalized kind; but the real indigence; and people have to be careful when they go to public meetings down Leeward, and especially when they come from Windward to say how they never see some many Leeward people hungry. I am obliged, Mr. Speaker.

## **SUPPLEMENTARY QUESTION**

**HONOURABLE MR. SPEAKER:** Supplementary?

**HONOURABLE ST. CLAIR LEACOCK:** I have listened carefully to the Prime Minister and I interpret him to say that unemployment is somewhat less than the 21 % of 2001 and perhaps equal to or less than that of 1991 which was 19%. So, you are safely saying, Mr. Prime Minister that 8 out of 10 people if I went onto the street,

8 out of every 10 persons I run into would have a job. That is basically what you are saying? [Interjection] But that is what it is.

**DR. THE HONOURABLE RALPH GONSALVES:** I will say that when you go about the street more than 8 out of every 10 persons you see will have a job.

**HONOURABLE ST. CLAIR LEACOCK:** So probably only one out of ten do not have a job? Just 1 ½ out of 10?.

**DR. THE HONOURABLE RALPH GONSALVES:** It may well be, I do not know what is the...

**HONOURABLE ST. CLAIR LEACOCK:** On or about that and that poverty generally has fallen. Thank you, very much.

**HONOURABLE MR. SPEAKER:** Question 11 right?

11. **HONOURABLE ST. CLAIR LEACOCK:** *I rise to ask Question No. 11 standing in my name of the Honourable prime Minister and Minister of Finance, Economic development, Information, the Public Service, Legal and grenadines Affairs:*

- a. *Please explain the Energy Savings Model currently employed at the newly constructed NIS building and that proposed for the nearly completed National Library and National Commercial Bank; and*
- b. *How is the policy being translated or replicated into other public buildings?*

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, may I just say one thing, as in 2001, and as in 1991 if you are not looking for work, that means every day going for work, and that work is there, I mean work is there and you do not take it, the question of whether you are unemployed or something else is a different question. I just put that statistically in relation to the census.

Question 11, Mr. Speaker, the answer which I am giving here is a composite of references made by the public officer who prepared the answer to this question for me with Mr. Moulton Mayers of Moulton Mayers Architect, Trevor Thomas of TVA Consultants; Orin Bennett of Orin Bennett Architects; Harold Dougan of National Properties, Glenford Stewart of Stewart Engineering; Richard Lewis the Project Manager of the NIS Building, Morris Slater of the Housing and Land Development Corporation, the draft energy policy document, dated August 2008, the 2009 annual work plan of the Energy Unit of the Prime Minister's Office and the site inspection of the NIS building. I say that again to indicate the seriousness always with which I treat this exercise.

The newly constructed NIS Building was designed by the architectural firm Moulton Mayers Architects. The building was designed with a number of energy efficiency features which includes glass fitted and some

sections of the roof to provide natural sun lighting to the main canteen area and the atrium of the building; use of the compact fluorescent lamps for artificial lighting throughout the building; use of motion sensors to control switching off lights by occupancy in general office areas; use of decorative window awnings to lessen heat gaining to the building spaces through windows by deflecting direct sunrays. Use of solar water heating technology to provide hot water supply to many kitchenettes and executive offices fitted with washroom facilities. Combined central and individual room air conditioning systems to allow independent air-conditioning use or level control in lower occupancy rooms, such as conference rooms et cetera.

The nearly completed library and what the Honourable Senator Leacock refers to as the National Commercial Bank building, I take it to mean the Reigate Building that is under construction. They were designed by TVA Consultants and Moulton Mayers Architect respectively. The building codes that are currently in effect do not require that new buildings be designed to any specific energy efficiency standards. However, the incorporation of applicable energy efficiency standards into future revisions of the Building Codes is already receiving active consideration. But I would say that even though they are not here for your minimum standards. They are being utilized by the architects in these buildings.

The government building nonetheless expects that the national library and Reigate Buildings when completed will incorporate appropriate energy efficiency features as far as possible based on the established professional practices of the architectural firms involved. Indeed, the architects have indicated that it is normal professional practice to incorporate energy efficiency features in designs within the constraints of given construction budget.

(b) The government's draft national energy policy has elaborated an entire section on energy efficiency. The overall goal of this policy section is to minimize energy input and achieve the lowest possible energy intensity for all energy related services.

Mr. Speaker, Honourable Members, energy intensity is a measure of the energy efficiency of a nation's economy. Some of the policy initiatives outlined for this section on energy efficiency include promote energy audits for key, I do not like that word, for major energy consuming sectors such as industries, hotels restaurants and public buildings, that is the humour to have gotten your attention just in case -- provide fiscal incentives for the import of energy efficient appliances and equipment into the state. Carry out studies on consumption patterns, in different sectors to be used in the design of appropriate energy efficiency systems. Establish energy efficient standards for household appliances and insulations of new businesses that will be equipped to their condition, systems and other equipment and to put in place as we have done fiscal measures for efficient energy light bulbs in the sense of reducing the duty to zero on energy saving bulbs and raising import duty on inefficient incandescent light bulbs. In fact, there is a case; we are considering actually doing like other countries like Britain and some other European countries banning the incandescent light bulbs. That is one of the reasons why we were behind with the Cuban Energy programme and the like, the new energy bulbs.

Energy audits of the administrative complex and the Milton Cato Memorial are scheduled to be undertaken by the Unit at the Office of the Prime Minister in 2009. The audit will study the cost effectiveness of implementing short to longer term energy saving measures in these buildings. The government is also investigating the use of solar energy to generate electricity in public buildings; discussions are currently taking

place with MOTEC Industries of Taiwan for the possible installation of a solar electricity generating plant on the Administrative Complex Building, VINLEC Headquarters and the Milton Cato Memorial Hospital. An assessment of each building was concluded and we are awaiting quotations from MOTEC so that we can make an assessment as to the savings over the period of time. I am obliged.

Mr. Speaker, if I may just say this, it strikes me as strange that I am criticized for taking up so much of the Parliament's time by some, but yet the same persons ask me almost all the questions. I only say that in parenthesis [laughter].

12. **HONOURABLE DANIEL CUMMINGS:** *I rise to ask Question No. 12 standing in my name of the Honourable Minister of Transport and Works:*

*Work to build a retaining wall on the bank of the North River beyond the Stoney Ground Bridge has resulted in the closure of that part of the road without adequate warnings and signage. Would the Honourable Minister please state:*

- a. *What is the estimated time for completion of this work?*
- b. *What is being done to prevent the erosion of the base of this wall by the river action; and*
- c. *What plans are there for the training and lining of the North River.*

**HONOURABLE CLAYTON BURGIN:** Mr. Speaker, work is indeed in progress on this river defense wall which is being praised and welcome by the residence motorists and the general public and also it is the boundary for both representatives of West Kingstown and Central and they are happy to have it as well.

Mr. Speaker, because this is a big project we had to close the road for the safety of all and to have the work flowing smoothly so as to be completed in the allotted time given to the contractor. Mr. Speaker, I do not know what the Senator means by: without adequate warning and signage.

The closure of the road was on the announcements on radio, so if the Senator did not hear it, the roads department cannot be blamed for that. So announcements were made, Mr. Speaker, there is signage, signage was posted about the closure of the road.

Mr. Speaker, the contracted works along North River Defense is the provision of 170 X 15 ft rubble retaining wall to check the effects of erosion along the road leading to Block 2000. Upon completion of this project, the road carriage way will gain an additional 6ft to allow safe movement of pedestrians especially school children. This project is approximately 75% completed and we anticipate completion of construction and backfilling of embankment by mid May 2009. The contract sum is \$275,736.48 there are plans for the training of the water course on completion of construction of the retaining wall. Mr. Speaker, the wall would be completed faster than the mid May that we are talking about, but we have to leave it time to settle and everything, before we backfill, so that is why I say mid May. I am obliged.

13. **HONOURABLE DANIEL CUMMINGS:** *I rise to ask Question No. 13 standing in my name of the Honourable Minister of Health and the Environment:*

- a. *What action if any has been taken to prosecute persons reported to be engaged in illegally removing supplies from the Milton Cato Memorial Hospital; and*
- b. *What steps are taken or are to be taken to prevent such recurrence.*

**HONOURABLE DR. DOUGLAS SLATER:** Mr. Speaker, any person found removing supplies from the Milton Cato Memorial Hospital or that matter, any institution in the Ministry of Health and Environment will be dealt with and has been dealt with in accordance with the provisions of the Rules and Regulations that governs the Public Service. During last year, two persons were terminated, one suspended without pay and another asked to take early retirement.

Mr. Speaker, this information is not usual information one would make public certainly for the..., I mean it is not..., I do not think it is appropriate. It is not always easy to get the evidence of who removed any item, but where the evidence is available the matter is dealt with firmly and without prejudice. There is currently the process of compiling a comprehensive inventory at the Milton Cato Memorial Hospital and the Management is enforcing requisitioning procedures that are in place and putting procedures in place where none exist.

Mr. Speaker, let us all here acknowledge that the allegations of theft from Government Institutions is nothing new. If there is anyone here who can say that they have never heard about theft from Government Institutions before 2001, let me see them put their hands up [laughter].

Mr. Speaker, all of us have heard over the years about sheets stolen from hospitals, pillow cases we have complains from patients, it is undesirable, it is unacceptable, but it is also a great challenge to control.

Mr. Speaker, I recalled very early in our first term the Government had bought several hundred sheets and we had also received some donations and I recalled almost putting my neck on a block doubting when I heard allegations that there were no sheets at the hospital, not almost, I actually did that, I said no, not possible and when a check was made it turned out to be true, I could not explain, I could not explain how after getting so many sheets that they were not there. Mr. Speaker, so we know that things have been happening.

The Milton Cato Memorial Hospital, Mr. Speaker is one that we inherited, the design is difficult in terms of security. It has a lot of entrances. Mr. Speaker, there are problems with administration, there have been. In fact, recently, when there was an allegation about scarcity of sheets and I see the Honourable Senator very agitated and I know what he was talking about, when it was stated that there were no sheets, on closer examination we found 200 sheets, oh yes, and we admitted that of course, I am telling you, that is not to say that we have not have cases of theft.

Mr. Speaker, maybe in the past no one was bold enough to acknowledge it, but we all know that it has occurred in the past. Mr. Speaker, but as I have stated, it is not always easy to identify and in any institution, several

times you may hear of allegations and there are. I am not a lawyer, but I understand what allegations are, not very easy to substantiate, so there is nothing new about what is happening here now.

Mr. Speaker, at the same time while we have authority to speak and call names sometimes in Parliament, I wish to send a message for those persons who on various radio stations are calling people names and making accusations of people, let them be put on notice that what they are doing, they can be brought to the court and for those people who like to go and run their mouth and call people names, they should know what happen to persons who do that like in a recent case, where a substantial award has been given, I just want to say that in passing.

Mr. Speaker, we recognize there is a problem at the Milton Cato Memorial Hospital and we are taking several steps. As I have said before, it is difficult, all of us know the hospital, all of us know that you can enter at several places even from the cemetery, so we have dead *jumbie* that can come and some living ones that come to do things [interjection] well, it is for you to interpret what that means, yes, some living, yes, yes, because I think anybody..., [interjection] you said so, I did not say that, [interjection] you see that is the problem, I never said that.

**HONOURABLE MR. SPEAKER:** Honourable Senator, please.

**HONOURABLE DR. DOUGLAS SLATER:** Mr. Speaker, Honourable Members, we have many measures in place, we are doing a comprehensive inventory, we have recently appointed an oversight committee to look into the activities at the Milton Cato Memorial Hospital and we have already met and we will be putting in place several measures.

Mr. Speaker, let us all also understand that the delivery of health care is a very expensive process, the protection of the hospital and the security measures that may be required are extensive and I hope when we do what we have to do that we do not have complaints from people out there saying that we are so strict, because you know we want people to be able..., traditionally, we want to have open access for people to the hospital compounds, but if we find that it is necessary and times have changed, if we find that it is necessary to restrict that access, we hope that that will be understood and supported. Much obliged, Mr. Speaker.

14. **HONOURABLE DANIEL CUMMINGS:** *I rise to ask Question No. 14 standing in my name of the Honourable Minister of Health and the Environment:*

*Many of the vehicles used in the collection and transportation of solid waste under the control and direction of the Central Water and Sewerage Authority (CWSA) are in a serious state of disrepair. In addition to frequent breakdowns, these vehicles continue to pour toxic and obnoxious liquids on the streets as they move. Would the Honourable Minister please state;*

*What is the procedure for awarding contracts to the private solid waste haulers and if there are any standards of performance with associated consequences for failure to achieve them?*

**HONOURABLE DR. DOUGLAS SLATER:** Mr. Speaker, the procedure for awarding contracts to private solid waste haulers is the same as it has always been since the inception of the Solid Waste Management Unit and I am certain that the Honourable Senator who posed the question is very much familiar with them having been at the helm of that institution. Tenders are invited for the provision of these services in all three local newspapers for a specified period and are addressed in sealed envelopes to the General Manager of the CWSA and I am certain that members and listeners would..., in fact, just recently, apparently there are advertisements to that effect in the newspapers.

A subcommittee of Board Members and Management then opens and validates the received tenders. The next step is an analysis and evaluation by Management and then a recommendation is made to the board for a final decision. Every contract is accompanied by specifications and performance standards and there are specified penalties for every infraction. Furthermore, Mr. Speaker, I think it is important for this Honourable House to know that in 2000 to 2001 and again it is important to recall that the Honourable Member who asked this question was in that institution. The CWSA purchased a fleet of 14 collection vehicles for the new Solid Waste Management Unit. These vehicles were considered so inappropriate and expensive to maintain that after only two years of operation 50% of the fleet were either not operational or showed significant down time. Well, I just hope that that information is soaked in. You were the Manager then; you would have had significant input in those decisions. None of these vehicles were outfitted with holding tanks for collection of leakage and as such obnoxious substances were seen oozing from the back of these vehicles from the inception.

I would imagine that the General Manager of such an institution must have been instrumental in the selection of these vehicles. I leave you to decide that. I only imagined that, who want to stretch their imagination can do the same thing that is what I have said, imagine. Owing to the shortage of private compacted vehicles on the island, the CWSA is forced to utilise covered private flatbed trucks on some of the routes, this is however, unacceptable and in the short to medium term the Solid Waste Management Unit is presently evaluating its options of partial or full privatisation, no challenge to you. I hear a lot about the private sector and about investment, probably my good friend Senator Leacock might want to invest in this good idea, for full privatisation of the collection service versus the replacements of its own worn out fleet. In any event, at least two new compactors outfitted with holding tanks will be required in the short term.

Mr. Speaker, I can recall and I think it is only fair to say that this Government has really tried hard and there are some responses in engaging private sector in the haulage, because most of the private sector vehicles that haul garbage now came in under this administration and we are encouraging it. In fact, I can recall an investor coming to me as Minister and we tried all we can to facilitate, it did not turn out, but we cannot control the monies of private sector, but as I have said, the Honourable Senators who seem to be interested in this area and private sector investment and that sort of thing, the challenge is out to you, please invest if you wish. Much obliged, Mr. Speaker.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, this is an appropriate time for lunch. Before I move the Motion for the luncheon suspension, I beg to move under Standing Order 12(5) that the proceedings of today's sitting be exempted from the provisions of the Standing Order hours of sitting.

**Question put and agreed to.**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, today is a day when the Motion on the Order Paper will be before the Bills from the Government, Private Members Bill. I see there are two Private Members Bills on the Order Paper, one in the name of the Leader of the Opposition and one in the name of the Honourable Senator Forde in relation to Housing and the Leader of the Opposition's own in relation to Integrity Legislation. The Leader of the Opposition's Motion I would expect in the usual course of things would have to be dealt with first, because it is first on the Order Paper. The problem which we are going to face, Mr. Speaker is that usually when we have long question time as we had today that there is often..., well it is not the first time that we are adjourning at this time after question time, so there is nothing sinister here. What I was thinking Mr. Speaker, because the matter would be dealt with when we return say at 4:00 p.m. we will have one hour for debating. I would suggest Mr. Speaker that when we return we can have at least one speaker on the side of the Opposition and one on the Government side and then..., so that the issues in relation to the Motion would then be ventilated even though we will go beyond 5 o'clock. I think we can agree on that. Indeed, the Leader of the Opposition and I are going to be involved in some discussions for half an hour before Parliament resumes and we may be able to address all the issues while we have that discussion between a half an hour before we resume.

Accordingly, Mr. Speaker, I beg to move that this Honourable House do stand suspended until 4 o'clock.

**Question put and agreed to.**

**House suspend at 2:16 p.m. until 4:00 p.m.**

**House resumed at 4:05 p.m.**

**MOTIONS**

**1. Motion on Integrity Legislation**

To be moved by the Honourable Arnhim Eustace/Leader of the Opposition.

**HONOURABLE ARNHIM EUSTACE:** Mr. Speaker, I rise on the Motion standing in my name dealing with Integrity Legislation which is on the Order Paper and I will read the Motion. There will be some slight differences compared to what is on the Order Paper at this time, but I believe copies are being circulated.

**WHEREAS** for many years successive administrations have promised to bring to this Honourable House for consideration and approval Integrity Legislation design to govern Parliamentarians, Senior Public Servants and Senior Officials in State Own Public Enterprise

**AND WHEREAS** no such legislation has been approved

**AND WHEREAS** the perception of corruption or other allied misconduct can be minimised by the passage or passing of Integrity Legislation;

**AND WHEREAS** appropriate Integrity Legislation is likely to strengthen good governance;

**AND WHEREAS** both, the New Democratic Party and the Unity Labour Party are on record in calling for the passage of Integrity Legislation in the quickest possible time;

**BE IT RESOLVED** that the Government brings to this Honourable House in the quickest possible time Integrity Legislation in cooperating relevant ideas or provisions from three Bills in incubation. Namely, the Integrity in Public Life Bill and the Prevention of Corruption Bill advanced by the Government and the Parliamentary Integrity of Members Bill put forward by the Parliamentary Opposition. That these three Bills be widely circulated among the public for discussion and consultation. The public consultation includes two discussions on the functioning of similar Integrity Legislation in the Caribbean and elsewhere. This Honourable House makes every practical effort to secure a bi-partisan support for the Integrity Legislation which is to come before the House.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, I beg to second the Motion.

**Question put and agreed to.  
Motion seconded**

**HONOURABLE MR. SPEAKER:** The Motion has been moved and seconded; the Motion is now open for debate. Honourable Leader of the Opposition, I suppose as the mover of the Motion, you lead the debate. You have 1 hour in which to present.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, may I just indicate equally, of course the Leader of the Opposition and I we had a discussion as we have said before, we have agreed on this Motion and we have further agreed Mr. Speaker, in order that we can get this put to the House and adopted that he would speak and then I would speak, but there would not be any additional time and then after that we can then put the Motion for adoption.

**HONOURABLE MR. SPEAKER:** Let me just put in a few words.

**DR. THE HONOURABLE RALPH GONSALVES:** Sure, sure.

**HONOURABLE MR. SPEAKER:** Well, as we know, we finish at 5:00 p.m. but obviously if both parties speak and utilise..., time of course would be, we would probably go beyond the regular time, but we would of course try to keep it as tightly as possible, also on the consideration that the Leader of the Opposition would require few minutes for rebuttal. Okay, thank you Honourable Leader of the Opposition.

**HONOURABLE ARNHIM EUSTACE:** Yes, Mr. Speaker, for time now we in the New Democratic Party have been pushing for the adoption of legislation to deal with questions of Integrity among Parliamentarians with regard to Parliamentarians and also (Inaudible)..., being a public officer certain categories of public servants.

In 2007 at the third meeting of the House when Private Members Business take precedent we did bring a Motion that was on the Order Paper which has since amended, but there was no opportunity for debate that time and the Motion lapsed. We decided that at this meeting, this third meeting we would bring it again and that is what we did.

Mr. Speaker, it is not often in this Parliament and I suspect in any other Parliament that you have the Leader of the Opposition and the Prime Minister in fact moving and or seconding Bill. It has happened once before in my time in this Parliament and I seconded the Prime Minister (inaudible) Constitutional Reform, but Mr. Speaker, the issue before us is extremely important. There is perception out there Mr. Speaker that for some reason people often feel that people in Parliament are corrupt and that perception, Mr. Speaker is here with us in St. Vincent and the Grenadines. In my mind, Mr. Speaker that perception is a growing one and I believe that it is urgent, Mr. Speaker that we bring the necessary legislation to the Parliament to deal with that perception and it is on that basis Mr. Speaker that we did draft the Motion and we had looked at a number of pieces of legislations in other countries in our region and did come up with a draft, which was attached to this Motion.

Mr. Speaker, I find myself in a position, though I find it very uncomfortable, difficult to deal comments by members of the public, as it relates to the Parliamentarians and to some public servants. I do not believe that Parliamentarians have a monopoly on corruption; but for some reason there is that perception in our society and it is a growing perception. We are of the view, Mr. Speaker that the best way to deal with this matter is to put in place a framework in law which will satisfy the public that if any Parliamentarian gets involved in corruption at any level there will be that law which will govern what in fact happens to such person and if people are satisfied Mr. Speaker, with the framework that is put in place and the strength of the particular law that may be approved by the House, I believe Mr. Speaker that would help in improving that reception and also contribute well, significantly to good governance. So, it is in that context, Mr. Speaker that we have brought this Motion and whether you are a senior public officer or any category public officer where your job puts you in a position where it is possible that acts of corruption may occur, then the legislation will deal with that.

Mr. Speaker, from time to time in this Honourable House and also on the political platforms, we have had comments from both political parties about the question of Integrity Legislation and today, when I look at the situation and the fact that the Prime Minister has seconded this Motion, which we worked on during the break and which I think incorporates the important aspects that we already had in the draft, I feel Mr. Speaker that will lead to some progress in regard even now to the public perception. People want to know Mr. Speaker that we are serious with what we are doing and that whichever party, whether the Government, party in Government or the party in Opposition, have a view and is prepared to implement and pass a law that governs Parliamentary behaviour in that respect, to that extent I think we would have made some progress already and it is in that context and some compromises on both sides that we agreed on the Motion that I have just read.

Mr. Speaker, when the two and in our Bill there are three Parliamentary Leaders including the Honourable Speaker, when the two Leaders of the Leader of Government, the Leader of the Opposition can both sign on the same Motion, then I really believe that that sends a message, it sends a message to our people here in St. Vincent and the Grenadines and therefore, Mr. Speaker, in contrast to how I felt this morning to come into this Parliament where I expected that this Motion would not be heard at all; because that has been the history with Private Members Motions moved by the Opposition for the last seven eight years and I therefore had intended Mr. Speaker, to make a statement or seek a clarification from you, Mr. Speaker, as to what was the spirit of 22(b) or 22(1) I forget whether it is (b) or (1) and having spoken with the Prime Minister this morning, I realized that there were some changes in approach in relation to this matter and therefore, I did not take any clarification (inaudible) because I am genuinely concern that people do not perceive the Members of this Parliament in that manner; genuinely concern.

I think a number of persons in this Honourable House have demonstrated throughout their life a certain approach to live based on their honesty and integrity and therefore we cannot allow Mr. Speaker that perception of corruption, such a broad brush perception to continue and today's event, Mr. Speaker will go down in the annuals of this country that the Members of Parliament of St. Vincent and the Grenadines have examined the situation and believe that now is an appropriate time to address this critical issue of Integrity Legislation.

I recalled former Minister Beache saying that he wanted it in the first 100 days; well, we have had multiples of 100 days. Today, we have a change; we dare say a change for the better and there are many people out there, Mr. Speaker, who I believe over the next few days, would look at today's developments and feel that we are making some progress in a vital area.

Mr. Speaker, I want to look first at some aspects of the draft that is attached to the Motion; that is the Parliament Integrity of Members Bill and to explain to the public and the Motion itself calls for that, calls for public consultation on all these pieces of legislations whether it is in incubation or not that may have been drafted for the public to look at these pieces of legislations and see whether they themselves are satisfied or whether they have any suggestions or amendments. Well, incubation [Inaudible].

Mr. Speaker, to have a Bill that is circulated with the Motion requires two fundamental changes,

1. Is the establishment of a Commission which will be responsible for the implementation and operations of this Legislation and
2. A Statutory Declaration to be made by all Parliamentarians and in some cases we have to include public officers in which the assets and liabilities and income in any firm is declared to the Commission at such times as may be required by this Act.

And what is suggested of sales, Mr. Speaker, in this Act is that within three months of Elections to the House of Assembly, a Parliamentarian should declare his assets in accordance with the Scheduled as attached Bill. And in addition to that Mr. Speaker, it also requires that the Parliamentarians on the 31<sup>st</sup> December each year or

thereafter, including the year that he demits office, must make a declaration or by the 31<sup>st</sup> December here. The changes in the financial status for Parliamentarians can be clearly seen by the Commissioner.

Mr. Speaker, so when the Parliamentarians make the declaration which goes to the Commission, the Commission Mr. Speaker, will examine the information provided and make a determination as to its acceptability. If the Commission has concerns they will have the right to call upon the person concern to respond to the concerns of the Commission.

Mr. Speaker, this is not proposed that the Commission makes everything out and out to the public. They will be governed by certain provisions in relation to secrecy, which will be the staff of the Commission, but when a Commission asks for the declaration in accordance with the law, then everyone concerns must make that declaration. If you do not make the declaration Mr. Speaker, then a Commission has certain powers and Mr. Speaker, those powers include reporting to the Parliamentary Leaders of this House, namely the Leader of the Opposition and the Prime Minister and to have examined the presentation including assets and liabilities of minors or the wife or spouse, I should say of the Parliamentarians. They also make a determination whether the assets in their name can really be attached to the Parliamentarians or Senior Public Officer.

So, there is that requirement, Mr. Speaker that you must adhere, otherwise the matter would then become public, because a Commission can say to the Prime Minister, the Leader of the Opposition and the Speaker of the House that you are not in compliance and those three persons and the Director of Public Persecutions to whom information can be sent can make the information public and this can lead, Mr. Speaker to fines and imprisonment or both such fines and imprisonment. There are many who will say..., I think the fine is \$50,000 or 2 years or both, there are many who will say Mr. Speaker: that may seemed harsh for somebody who did not submit a declaration, but that is the penalty if you refuse to submit the declaration; because after all the object of the legislation as we drafted, as it is in some other countries is to ensure that everyone out there feels comfortable that Parliamentarians and or Senior Public Officers are not in fact involved in any corrupt matter.

So, Mr. Speaker, we have a situation therefore where you must submit the declaration because the penalties themselves, I do not think any of us in this Honourable House would want to subject ourselves to that kind of scrutiny and not being in position to clearly show that we are in fact innocent. The price of that Mr. Speaker would be too high. And I want to mention here, Mr. Speaker, the functions of the Commission and I read as follows from the draft: “they are to receive”... this is section 5(a),

**“To receive and keep on record the Statutory Declaration furnished by the Parliamentarians in accordance with the Act. To examine such declarations furnished by Parliamentarians and to request from a Parliamentarian any information relevant to a Statutory Declaration made by him or her, which in the Commission’s opinion would assist in their examination.”**

So you submit your declarations, you have your assets, you have your liability that includes property or what you have in the bank and so forth or what you may have passed on to your children who are under age and so forth and having submitted that the Commissioner will still say to you, well, there is some discrepancies here and we want further information, so they have that right.

The Commission can make independent inquiries and investigations relating to his Statutory Declaration as the Commission think necessary. So, if there is any element of dissatisfaction, it means that the Commission can do its own inquiry to ensure that they get the information that they want and the Commission should have power to summon witnesses, require the production of documents and do all such things that it considers necessary or expedient for the purpose it is carrying out its functions. So, the position the Commission has is a lot of power and it is important that we understand, because it is critical to know the types of persons or the categories of persons who are eligible to become members of the Commission and in the first schedule, the Commission shall consist of :

- a. The Director of Audit**
- b. Four other persons appointed by the Governor General after consultations with the Prime Minister and the Leader of the Opposition from the following categories:**
  - I. Members of the Privy Council.**
  - II. Representative of the OECS Institute of Chartered Accountant.**

Which the reason for that is fairly obvious and this refers to the St. Vincent and the Grenadines Chapter, Retired Judges of Appeal and of the Supreme Court and persons who have held the post of Comptroller of Inland Revenue, Director General of Finance or the Director of Audit.

As I have said, the appointments would be made by the Governor General: but when you look at the categories of persons that are outlined, I do not think that we can quarrel with those categories. They are crucial both for the legal and financial aspects of the work of the Commission, all of them in one way or the other and some in more categories than one.

So Mr. Speaker, there we have it; a Commission and we also have a Statutory Declaration. Now, when one looks Mr. Speaker, at the Schedule one sees the list of the information that should be declared and it is substantial, that is found on the second schedule. I am going to point out some of that information. First of all, you declare your assets and your liabilities as of a particular date in most cases it would be the 31<sup>st</sup> December of the particular year and it covers a twelve month period ending on that date. So, each year you update and the Commission can see any changes that arise in your income on the basis of those changes and of course, one should be able to explain the reason for the changes and how these resources were arrived at.

They will also request that where any property is held by the person declaring by the declarant's spouse or the declarant's child or children in trust for any other person these should be indicated by a note, because they do not want to be involved in property that is not owned by the person declaring: that is in this case, the Parliamentarians and you have to give all the particulars associated with that. You have to give the name and addresses of your bank, in whose name some of these assets are held and this should be supported by a bank statement or a letter from the bank confirming the balances indicated and you have to indicate any cash in excess of \$500,000 held other than in bank by declarant's spouse and children. If you have bonds or you have

stocks and similar investments you have to also indicate and declare those, you have to say where they were held, in whose name they were held, what the face value is and the cost of acquisition.

So, if you have lands, you have to say how much acres, where it is situated, in whose name it is held, how much you paid for it, how you estimate the current market value, then moneys invested in mortgages or business ventures including crops and livestock by the declarant's spouse or children. You indicate in that schedule the type of investments that you are involved in.

Well, a lot of people, Mr. Speaker, on grounds of privacy may want to avoid these provisions you know because they would not necessarily want anybody to know what they own, but the question is when you hold a position of public trust then one has to balance what you do in this regard and I believe that the provisions of secrecy that apply to the Commission and members of staff of the Commission is really designed to do that, because the fine and or imprisonment to members of the staff and so on whom I believe release any information unauthorised to anybody is very, very severe indeed. So, I think a balance is being struck to ensure that you make your declaration today and it is not over the newspapers tomorrow and I think that is an important provision, because I believe a lot of people will feel that once you declare everybody is going to know, that is not the case in this legislation. Only if the Commission fines something wrong they can report it to the Prime Minister, the Leader of the Opposition and the Speaker. They; those individuals have the authority as they see fit to make release and of course the Commission has the right to pass matters on to the Director of Public Prosecution. But when you reach that stage you have gone very far; but I think sufficient attention has been paid to the issue of secrecy as is necessary to protect to some extent the privacy of the Members of Parliament and other persons who may be so involved.

Even your motor vehicles owned or on hire, so it is a very detailed declaration and I could understand why there are persons who might fear it. Life Insurance Policies, but I believe it is the power for the public to know based on the declaration that their Parliamentarians are clean. Any other property owned by the declarant or spouse and children and those held by other people on their behalf, so it is very comprehensive indeed. Then you have to give the particulars of all income from all sources and it is important to note and this is the provision which a lot of people debate about, the commission does not need your authority to pass information to the Inland Revenue Department. So, if you are involved in any of the level of tax avoidance or evasion, then the Commission does not need your approval to pass the relevant, not all your information, the relevant information to the Comptroller of Inland Revenue, that is a very serious provision and everybody should note that, everybody should note that.

What I am trying to show, Mr. Speaker is in the draft that we have submitted and I know it is subject to further discussion when the time comes to debate the Bill in this Parliament on Integrity, what it does Mr. Speaker is say to John Public, listen; I have nothing to hide, I have declared all my assets, all my liabilities, all of them and the Commission is satisfied with what I have presented. Difficulties only arise if there is concern on the part of the Commission as to what they have submitted and even in there you have the opportunity to go before the Commission with an explanation. You can carry your lawyer, you can carry your accountant and so forth to verify and clarify for the benefit of the members of the Commission, any query that they may have, you know. Well, it only needs a Priest in certain circumstances.

But quite frankly, Mr. Speaker, it is important to have provisions of that sort. Members of Parliament and or Senior Public Servants; because of the very nature of their occupation the public must feel: listen, I have elected that person to represent me, I have elected that Government to represent me, let us feel that all is well. I do not think there is any single person in the world who would say, well, it is a minor matter, let that go; but they want to have that trust, they want to have that trust in those they have elected to the highest offices in the land. There is nothing wrong with that and if we do not have legislation, Mr. Speaker, one cannot get rid of that perception, well; a lot of it is perception. Somebody sees you driving a nice car, *'I wonder where he got that money from, he must be do this, or he must be do that,'* you know. You are building a house, they do not know whether you have a mortgage or not, they want to know where you got that money from, *'that house big eh'?* That is the kinds of perceptions that we have around the place [Interjection] eh? [Inaudible] but at least they know that you have made a declaration before competent people, including Retired Judges, Accountants and so forth and persons in the Public Sector who have held positions which allow them to make an assessment based on their own analysis and say whether everything is good.

And I do not believe Mr. Speaker that we can say to the public of St. Vincent and the Grenadines that there is no need for such legislation, I do not think so, I do not think so at all and while you may have differences, a little political battle and tussles here and there, the reality is that it is extremely important that we minimised and we have been realistic; because I think the Resolution mentioned minimised, we minimised the possibilities of the people accusing all of us of being corrupt whenever they see some advancement, which they perceived, wondered where he or she got that.

I am not saying Mr. Speaker, they can wipe it out altogether that perception, I do believe that legislation will go a long way, a long way, Mr. Speaker, to convince the public that the women and men that I have just elected to higher office in this country are looking after my interest, not just their own and I do not know if any price, I doubt there is a price, but I am sure that none of us are comfortable with people having that perception of us as we go about our daily functions, none of us in this Parliament can be happy with that. I know from own experience it is uncomfortable, you are accused of all sorts of things from which you do not even know about, when it come to matters of this sort. It is a very serious matter indeed and we must have some form of legislation on this matter, something that does the job in terms of trying to destroy that perception that people have of us.

Mr. Speaker, I think more and more and you see now with all these financial crisis and so on that we are having, all these collapses and charges of fraud and so forth that we are having, they have a long visitation this morning with the Prime Minister on what has to be done to save the bank of Antigua and we all know what has happened in the United States and other parts of the world, everybody knows about Madoff and the \$50 billion and people will want to paint you with all that broad brush, but maybe with all that sum of money and this particular climate which we now face economic and financial climate that we now face is one which lends more to that perception, it helps that perception to go not only for persons in the private sector and we are not dealing with them here; but for those of us who are in Parliament and those of us who are Public Officers who deal with some of these matters and base on the Motion, I am now more hopeful that in this Parliament we will do the right thing and do it in the quickest possible time in spite of the fact that one may have to have consultations [Inaudible], we need to do it.

Mr. Speaker, you know when I looked at the situation, I am of the view and I have discussed it with some of my colleagues that we should go ahead and make a declaration of our assets as Members of this Parliament you know, because none of us, Mr. Speaker, would want to be painted or tainted with this perception. It really annoys me, I will be quite frank you know, it really is annoying and some of the times the information on which it is based is so trivial and yet it grows and it grows and it grows, it just grows. I have heard so many times about this person and that is part of our politics, that this person does this, this person does that, but in a lot of instances where it comes to financial matters a lot of it is not true, a lot of it is not true, yet you have to live with it and I think, Mr. Speaker, we should try and change that perception.

I have been in this Parliament not as long as some others, but I have been here now for about 11 years and I believe that the trust has been given to all of us who sit in this House is a sacred trust and I believe Mr. Speaker that all of us regard it as a sacred trust. We may have our battles of political nature, our skirmishes, but in the end, we are the representatives of the people of St. Vincent and the Grenadines. All the people of St. Vincent and the Grenadines, and they deserve to know, they deserve to know and listen; all is honky dory, all is well. I can trust my Parliamentarians; I can trust the Public Servants who administer our business, especially in relation to financial matters, the matters relating to procurement and so forth, you can trust them. I am telling you Mr. Speaker that I believe that this will make a great difference and I am looking forward Mr. Speaker, to early implementation of a law, it does not have to be the exact things what I have said here, I hope it is not too dissimilar; because it has to have some teeth, if it is a bland document with no attempt made, which really deals with the issue, then we will be wasting time and the perception of corruption will go, not diminished.

We are having discussions here today and the Motion commits us to do something about it, if two years from now, a year from now nothing is done, they say we are just making jokes, they were not serious, that is for our consumption in the public: but they were never serious, but I don't want that to befall us, I do not want that to befall us at all and it is in that context I said about the declaration, we should all do it now; because I will do it you know and members here on this side [applause], because I cannot live with that kind of hammer over my head and as I have explained before and I want to repeat it, one of the big concerns that everyone has why they find themselves in this position is that they are not..., they don't necessarily want all the information before the public and there are good reasons for that, because some of us may misunderstand too if all the business is public, but when the Commission accepts your declaration that is the stamp which says, John Jones or Mary King are okay. That is important, very, very important indeed and it will benefit us in other areas as our society looks at the actions that we have taken and are pleased with those actions. Actions which give them confidence that we are not a corrupt bunch, actions which give them confidence that the Parliament of St. Vincent and the Grenadines is filled by honest people who they send to the Parliament. I don't think there is anything better than that that we can do, I really don't think so at this present time and I fear that sometimes now in the present climate here and in the rest of the world, I fear sometimes that just that climate alone is going to give us more difficulty, not just in the economic sense, but in the sense of how people perceive us operating in that climate and to me those things are important.

I don't expect that will ever be perfect, in terms of legislation, but anything that we do in this Parliament to dent that perception out there is well done; anything that we do to dent it is well done. I don't expect 100% success in the way people perceive us, but I am surely looking for plenty more than 50%. None of us should be

subjected too or have to live like that. There are people in this Parliament for years and years and years and years and when they leave their financial circumstances over the years are worse than when they came in, yet I use to hear how Joshua corrupt and do this and do that and then I see him live in that little house there on Mc Kies Hill passing out his days in what amounts to be poverty and where other people had to go and provide him with financial assistance. And that is what it is. Latham, you heard all sort of things about Latham and what happened, sorry about that please [laughter] I wasn't hitting, well that has not got to be declared. But Mr. Speaker, you know, we have that, we have that history of that in St. Vincent and the Grenadines and then at the end well boy I though Joshua had some money hidden you know and he was just waiting for the chance when he finish with the politics to live this big live, but he died and he died with little or nothing you know. I don't want that to happen to me and I don't want it to happen to anybody in this Honourable House. You live in an environment where people expect you at all times to be of assistance to them, you may have a \$5.00 left you meet a fellar I say I only have \$5.00 he say, "well give me it nah" [interjection] eh? No, it is true [interjection] exactly, but it is really true and sometimes you wonder, you say exactly.

I have paint some examples of this last 11 years of how these things worked. I have seen people fearful of going into their constituencies because people feel they are corrupt and therefore they have a lot of money and when you don't have money to give in some cases, Lord heaven help, heaven help you, especially in the election time you are suppose to be a master buyer of votes you know. It is not an easy thing, you know and these are in fact serious, serious issues. They go to the heart of what we are. On the other hand you will find individuals out there who are much more understanding what they need from advice, they have a problem with their family or they need a lawyer to help them with something that is a different matter you know. So the best thing some people do is walk with a lot of \$5.00 because they have to have a limit you know, a lot of them and not that in a lot of the cases, people go to one politician to get something, they will come to another one to transport it and I know that from East Kingstown [laughter] I think the Honourable Senator is aware of that you know and those are facts. I don't believe it is in East Kingstown alone it happens, those are facts, those are facts and on top of that now when you have had to go through all that somebody still have to say, you are a thief. I can't deal with that, I can't deal with that at all and for me this is a deadly serious matter and I want to see every Member of this Parliament, including you Mr. Speaker, I want to see every Member of Parliament in this country held in esteem and I submit that the declaration before the Commission is a critical aspect of how we deal with these problems. We have to do it. We may want to call it something else or we may want to change some function or the other, I don't have no big thing with that. The fundamental issue is that people must know that we are accountable to have we have. That we can explain where we got it and that I think will make a big difference. I therefore commend this Motion Mr. Speaker to this Honourable House [applause]

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker,

**HONOURABLE MR. SPEAKER:** [Inaudible]... or the private member business comes to an end at 5 O'clock, but because there has been a special agreement between both sides of the House that we..., and base on the seriousness of this Motion as amended it was agreed that we will go beyond that period of course which is perfectly all right to do, both sides have agreed on that and therefore the Leader of the Opposition having made his presentation as the presenter of the Motion, the Prime Minister will now make his response, he has 45 minutes of course in which to do and then as we had explained earlier we will give the Leader of the Opposition

maybe another 15 or so minutes to wind up and that will bring us to the end after the vote of this particular Motion. I just need that so that the public can understand what we are doing, because obviously previous times we know what happened. Thank you very much.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I want first of all give a backdrop to this Motion which is before us, the immediate backdrop. A Motion was listed as a Private Member's Motion as required under the rules of this Honourable House in the name of the Leader of the Opposition. The Motion address the issue of Integrity Legislation, but in the way in which it was crafted, it would not have attracted the support of the Government, because it had certain aspects of its preamble which were of a partisan political nature which though I have accepted the Motion would have meant an acceptance of those declarations in the preamble.

Similarly, the draft Bill which has been circulated with the Motion in our view was not on completely all fours with Motion itself, because the Bill which was circulated addresses only the matter of Parliamentarians, Parliamentary Integrity of Members Bill and did not address the issues of public officials, senior public servants, senior officials in public enterprises which the Motion refer to but were not present in the Bill itself and the Motion as presented did not take account of the fact that the Government had taken a number of steps to bring the issue of Integrity Legislation to this House.

One of our Senators had in fact fashioned an amended Motion which itself contained several propositions which were equally of a political nature and in the myths and hail of political partisanship we would not have gotten anywhere today, because the amendment under the rules would have had to be debated first and then the Motion would not have been heard though of course the Opposition could always have debated the amendment and address the very issues they wish to advance. But I looked at both the Motion and the amended Motion and this morning I told the Leader of the Opposition that I thought that with some amendment to the Motion which he had put down removing the political partisan coloration that it is possible for us to have something before this Honourable House with which we could all agree and we agreed this morning that we will meet in the luncheon interval, half an hour before our resumption this afternoon and during the lunch period when I was having my cup of soup I did what I thought was a non-partisan political draft on this subject incorporating elements of both the Motion and the amended Motion which would have been put before this House and when he saw it and he read it, he was satisfied that it would commend his support. And once that has been done, I said, well if he move that particular Motion as a replace Motion, the Government would line up in support and I personally will second the Motion which is where we are.

Mr. Speaker, it is not that currently there is an absence of law governing the conduct of Parliamentarians as they relate to issues of Financial Integrity. The existing criminal code applies to everyone in this House as to the lowest lowliest citizen in the land. Of course, I say lowest, lowliest citizen not that anybody once you hold the high office of citizen you are equal, but I say it only as a matter of contrast for the purposes of the debate. So if anyone was to commit an act of theft from in Parliament, and you are a Parliamentarian, you would be brought before the court. If you obtain a pecuniary advantage by deception, there are laws to cover that, if you obtain any property by deception there are laws to cover that, if you are engage in any forgery or fraud there are laws

to cover that, so that there is an existing body of law which is in place to regulate the Financial Integrity of Parliamentarians and their honesty in dealing with matters of property. There is an existing body of law.

But beyond that Mr. Speaker, there are certain specific provisions which relates to offences against the administration of lawful authority Chapter 5 of the Criminal Code. For instance, there is an offence known as official corruption under section 85 of the Criminal Code which says, any person who being employed in the Public Service and being charged with the performance of any duty by virtue of such employment corruptly solicits, receives or obtains or agrees or attempts to receive or obtain any property or benefit of any kind for himself or any other person on account of anything already done or omitted to be done or to be afterwards done or omitted to be done by him in the discharge of the duties of his office is guilty of an offence and liable to imprisonment for three years.

Similarly, any person who corruptly receives, confers or procures or promises or offers to give or confer, or to procure or attempted procure to upon or for any person employed in the Public Service or to upon or for any other person, any property or benefit of any kind on account of such act or omission on the part of the persons who are employed is guilty of an offence and liable to imprisonment for three years.

Then there is an offence relating to extortion, offence relating to public officers receiving property to show favour, false claims, abuse of office, false certification by public officers, there are all these offences and beyond all of these provisions and other statutory provisions in several bits of legislation which govern conduct of a financial pecuniary monetary or property nature, beyond all that, there is a common law offence call "misbehaviour in public office" and the misbehaviour in public office you can have any range of particulars, it is one of these omnibus, some people say amorphous common law provisions, common law offences, sorry. For example, if one behaves recklessly to a degree that there is damage to the public welfare, you behave recklessly that is to say you get advice and you went against the advice and you did something which is completely irrational and completely contrary to any good sense people suffer as a consequence that itself can constitute a body of particulars for misbehaviour in public office. It is very wide in its scope.

Now Mr. Speaker, not only do we have these provisions, but currently too you take..., people always talking about politicians involving some in money laundering, well there is an antimoney laundering regime, it is covered not only by the Proceeds of Crime and Money Laundering Prevention Act No. 39 of 2001 and its amendment No. 8 of 2005 it is also covered by the Proceeds of Crime and Money Laundering Regulations 2002 and the Proceeds of Crime and Money Laundering Guidance Notes and Mr. Speaker, entities which have come to this country to assess St. Vincent and the Grenadines performance in this regard, this is a document International Monetary Fund Detailed Assessment Questionnaire, Antimoney Laundering and Combating the Financing of Terrorism St. Vincent and the Grenadines December 31<sup>st</sup> 2008.

In fact, yesterday Mr. Speaker, I spent about 4; 5 hours with a team from the IMF which is here doing their assessment on the Antimoney Laundering Regime. But on a previous assessment in 2004 by the Caribbean Financial Action Task Force which along with the Financial Action Task Force review conduct in relation to the 40 plus 9 recommendation as they are called which the IMF assessment team uses as its guiding posts in coming to judgement and in 2004 this is what was said about this subject regarding this Government.

The Government of St. Vincent and the Grenadines has thus far demonstrated a strong political will to build, implement and harmonise its legal framework to combat Money Laundering and the Financing of Terrorism both locally and internationally. It has accomplished a lot in a short time. That is really good praise and the Financial Intelligence Unit is recognised by all the authorities as the best in the Caribbean.

Now why is this important to the discussion here today? In addition to the question of the FIU addressing Money Laundering and White Collar Crimes, the FIU is the entity to which banks, financial institutions, credit unions, entities which sell motor vehicles, the traders of one kind or another, money service providers, accountants and lawyers and so forth, if there is a suspicious activity report, that suspicious activity report has to be made under the existing law to the FIU. It does not mean that a suspicious activity means that is it in fact so, but if you have a suspicion it has to be reported and if it is not reported the entity which does not do the reporting can suffer consequences including revocation of a license corporate and where this is conjoined is what you call in the Regulations and in the Guidance Notes for Politically Exposed Persons, all of us (PEPs). It is easier for a businessman to open accounts and conduct transactions than a Politically Exposed Person. Currently, indeed the report goes on here to say and they are talking of St. Vincent and the Grenadines, of note is that politically exposed persons receive no preferential treatment, nor are they immune from prosecution for corruption or any other relevant offence. Financial Institutions are also required to conduct enhanced due diligence on politically exposed persons and where appropriate file suspicious activity report to the Financial Intelligence Unit. So any of us want to open an account somewhere or to have some kind of transaction, something other than ordinary, you have to be examined more than everybody else and it may well be that some persons in here hearing about the concept of the politically exposed person for the first time may be saying, ah! That is why the last time the bank was asking me so many questions, that is why I couldn't get that done the very same day they had to check and double check something. They wouldn't tell you, but because you are a politically exposed person.

So the public may think that nothing is in place, because there is not Integrity Legislation, but there are many things which are already in place. What the Integrity Legislation will do and the accompanying provision relating to a Prevention of Corruption Bill what we call; "The Integrity in Public Life Bill and the Prevention of Corruption Bill" is to strengthen already existing provisions and to widen the ambit of coverage.

Now, the Honourable Leader of the Opposition says that it is his view, there is an enhanced perception of corruption in St. Vincent and the Grenadines. I don't think so, I don't think so at all, of official corruption I don't think so. But any perception that there is, certainly other measures would be able to lessen objectively the perception somewhat. But this matter of the perception, it doesn't matter what laws we pass here, it is going to continue at whatever level it is and sometimes people say it not because they mean it, but because they are involved in the business of just throwing words.

In Trinidad and Tobago, there are provisions; there is Integrity Legislation in Trinidad and Tobago and the former Prime Minister Panday has been charged and found guilty, which is on appeal; on failing to disclose a particular account in his declaration; after apparently questions had been raised failed to do so. And as you know; he was sentenced to two years imprisonment. But you can have all of that and in Trinidad and Tobago

people will tell you that Trinidad and Tobago is the most corrupt place politically in the Eastern Caribbean. You hear it all the time. True or false, you will hear people say that.

I think what has happened is that there is a tendency in the quest for political office; one set of people or the other would throw the thing out: *corruption*; it is not that they believe it; it is not that there is a growing perception: but it is almost like *sic...ing* a dog; you say it to somebody and then they jump and they use it as some form of annoyance or something of the sort. I believe honestly, that the vast majority of people in this country are satisfied with the members in this Honourable House, on issues relating to financial integrity. The question of pecuniary integrity, or integrity relating to material matters: that they are satisfied that we have basically an honest group of politicians.

I think so, that the vast majority of people ... there are of course, a minority on one side or the other; most corrupt set of people are found on the opposition benches; another small minority; the most corrupt set of people are found on the government benches. But that does not mean that there is a growing perception of corruption. It only means a little more shouting louder by a smaller group and especially when you have the amplification of FM Radio. That is I gave you my honest view. Still, there is a necessity and desirability for us to put in place measures for Integrity Legislation and I will come to some of the things which we have been doing in the government: but I want to raise early o'clock some pertinent issues and that is why I think the provision in one of the limbs of the preambles in the Motion is so relevant:

**“That the public consultation: would include discussion on the functioning of similar Integrity Legislation in the Caribbean and elsewhere”.**

I noticed the Editorial writers are addressing that issue in Trinidad and Tobago. The Government is finding it very difficult; the country; the society is finding it very difficult to get persons of quality who are prepared to subject themselves to the most stringent forms of reportage. For instance, you are going to have people who are going to be Chairpersons and Chief Executive Officers of Statutory Bodies and Public Enterprises; Members of the Board; Members of the Tenders Board; Permanent Secretaries; people are saying: I have to report what my wife owns; what my children own?

So, we have to be careful in crafting the legislation: justifiable; necessary and desirable in the context in which I have mentioned the issue; to have a situation: your declaration of assets and liabilities. But that we make sure that we fashion the laws in a manner, which do not encumber work itself, by not having our best people coming into the Public Service: Statutory Bodies; Public Enterprises ought to serve as members of the Board, because for some it does not matter: but for others they hold their privacy extremely dear and even though you are reporting to a Commission, where that Commission still has confidentiality requirements; nevertheless, people are apprehensive because they hear of other things, which are confidential and they get out. They do not get out in the newspapers but they get around to the *cocktail circuit* and they are whispering. So, we have to put all those things in the mix.

One of the Bills which we have before this Honourable House, which is included: one in incubation - who are the persons that have been suggested to be brought into the net? Members of the House of Assembly; Cabinet

Members; Parliamentary Secretaries; Senators; Judges of the High Court and the Court of Appeal; The Attorney General; Solicitor General; DPP; Heads and Deputy Heads of Overseas Mission; Secretary to the Cabinet; Chief Personnel Officer; Director of Audit; Permanent Secretaries; Director General of Finance and Planning; Director of Planning; Accountant General; Budget Director; Hospital Administrator; The Chief Executive Officer thereof; Police Officer Superintendent and above; Comptroller of Customs; Deputy Comptroller of Customs; Members of the Public Service Commission; The Police Service Commission; Members of Government appointed Boards and Corporation; Members of the Tenders Board; Chief Technical Officers in the Ministries and Departments and so on and so forth.

One has to see how far the net goes. In Trinidad and Tobago, the court has decided that the Judges cannot be subjected to this legislation. There are persons ... the Judges say that it is unconstitutional; that is a matter only for the Judicial and Legal Services Commission, not for an Integrity Commission. The empire struck back; the judicial empire struck back; you and I may not agree with it: but the question arises why a parliamentarian should submit a declaration of assets and liabilities and a Judge is exempt; or members of the Tenders Board. The case of the Tenders board, I can tell you Honourable Members, Mr. Speaker, when I came to office, the last meeting of the Tenders Board under the Eustace Prime Minister ship that came on my desk, first or second week after I was Prime Minister, I did not read it, I attached a note to it and sent it back to the Chairman of the Tenders Board. I said please do not send me Minutes to the Tenders Board. I do not see the Minutes of the Tenders Board I am not interested. I keep an arms length from the Tenders Board that is why nobody can call me and ask me to talk to the Tenders Board to get something because I do not read the Minutes; I do not study it. Some people get upset with me about that but I keep my arms distance.

And the Tenders Board is a serious institution because they are awarding tenders... there is a great prospect of somebody on a Tenders Board having greater influence on the distribution; on the purchase of goods and services from a company than the Prime Minister. That is the reality; so these are questions which would have to be debated and I know that the Senior Public Servants and those on Statutory Boards and so forth are going to say listen: do not include us in this thing as happened in some other countries; keep us out of that because we would not serve.

Already, the hassle that people have in serving as members of Statutory Boards; Public Enterprises for relatively small sums of money; why should they subject themselves, they would ask themselves for their business to be reported upon? Now, all those are issues in this debate. Problems arising similarly in St Lucia; so, we have to; as we go forward with this matter; let us not sweep under the carpet the complexities.

Mr. Speaker, what have we been doing since 2001? And if I may just say something for the record; the Honourable Leader of the Opposition said something and I am not involving in any controversies here today; about Private Members Bills and it appears ... he didn't quite say it: but as though there was something sinister that we are trying to keep Private Members Bills not being heard. Actually, what has been happening is that the private members on the Government side: that is to say the members who are not in the Cabinet are entitled to submit Private Members Bills or Private Members Motions on the third sitting of any new Parliamentary Session and they have been submitting and submitting early in each year. This year they did not submit first; private members on the Opposition submitted first. [Inaudible question asked] Ah! No! No! No!

And there was a year when the Opposition submitted in 2003; on a Motion relating to crime, and there was an Amended Motion, which was heard and the Opposition walked out then, when they could have made their same points on the Amended Motion. So, I want to say there was nothing perverse because we cannot deny the members of this side of the House who are not members of Cabinet, the right to submit Private Members Bills. If the Standing Order said that the third sitting of every new term of Parliament is for Private Members Motions or Bills from the Opposition that is a different thing. That is an entirely different thing. Similarly, in respect to the Motion on Crime; if Honourable Members will recall this; the Motion purported to commit the Parliament to expenditure and an Opposition Motion or Bill cannot do that. Because there is a representative democracy where the constitution says: -

**“Only those who form the Government can introduce Motions or Bills dealing with spending money and that if an opposition member is to bring such a Bill or Motion; He must first get a signification from the Governor General. That signification being informed by the Minister, which holds the portfolio for the area in which the Bill is represented; in this case usually from the Prime Minister: because he is also the Minister of Finance”.**

So, we have to just follow the rules. On this occasion, this Private Members Motion worked because:-

- a) **It came ahead in the Clerk’s office: Clerk of the House; came ahead of the motion which is put in by the Honourable Senator Forde on housing; but if she had put in her motion on housing first, that motion would have been ahead on the Order Paper and that is the one which would have been order. So let us ... I want to put all the facts on; and when I saw this motion was first and I knew that an amendment was coming and knowing that the issue is one on which we need not have a fight; I said, let us see if we can narrow whatever differences in going forward. This is why we are at this happy coincidence today.**

Mr. Speaker, Honourable Members, the first limb of the preamble is quite correct:-

**“For many successive years administrations have promised to bring to this Honourable House for consideration and approval, Integrity Legislation”.**

In 1984 the NDP had it in their Manifesto. Nothing was done by the NDP between 1984 and 1989, save and except that a Constitutional Review Commission was appointed with narrow terms of reference: three or four items; flow crossing; the question of Integrity Legislation and two other matters not of great moment. *The Rupert John Commission*, I think it was; it reported and nothing ever happened. It recommended that there be Integrity Legislation.

Now, between 1989 and 2001 when we came to office it is quite correct that the NDP administration did absolutely nothing in this area. In 1998, we brought a Bill when we were then in the opposition to this House on Integrity Legislation and the Government raised the point quite correctly that there was a provision dealing with the financing of this Integrity Commission and we withdrew that provision: but they did not allow the motion to be put. That is 1998. It was in the ULP Manifesto in 2001 and in 2005. What have we done since 2001? In

2002, the Honourable Deputy Prime Minister and Minister of Foreign Affairs signed the *Organization of American States Convention Against Official Corruption*; in 2002 signed that and we ratified it; and consequent upon the ratification our Consultant on Treaties prepared for us a Report entitled '*Implementation of the Inter-American Convention Against Corruption*'.

The Honourable Attorney General, she would have gone through several draft versions with the OECS and Caricom trying to find a common draft. Former Justice Monica Joseph, Consultant at the time fashioned one. In 2005; 2006 and in 2007; we published in the newspapers the two Bills: *The Integrity and Public Life Bill*; and *The Prevention of Corruption Bill* for public discussion. No response, not one single comment came in: not one from a NGO; from a citizen; not one from any entity whatsoever; no discussion in the media; nothing.

So, I want to say this honestly, we are the ones in the Parliament who are in the vanguard of pushing this. Occasionally, you may hear somebody make a comment on it in the public: but if those persons were serious about the matter; they would have made some comment. And I am hoping the next time when we publish these things and we have discussions; we would see commentaries.

**HONOURABLE MR. SPEAKER:** You have eight minutes to conclude.

**DR. THE HONOURABLE RALPH GONSALVES:** I am obliged Mr. Speaker. Mr. Speaker, it is true to say however, that in the Constitution Reform process that citizens agreed with us that there should be an establishment of an Integrity Commission and that there would be integrity legislation as they saw it; consequent upon the establishment of an Integrity Commission. But it must be said, we do not have to await the Constitutional Reform process. If we are ready in every respect to proceed with an *Integrity in Public Life Bill*, addressing issues of financial; fiduciary; pecuniary and matters relating to integrity of property, we do not have to await the Constitutional Reform process to be completed. And when the new Constitution comes into being, it would only mean that the Integrity Commission would in fact be protected inside of the Constitution itself, rather than by Statute. But you would still need statutory provisions to operationalise it.

Mr. Speaker, we in this Government, we have strengthened existing criminal laws addressing the issue of official corruption. I spoke about the proceeds of *Crime and Money Laundering Prevention Act and its Amendment*: the regulations, the guidance notes. The Enacted Financial Intelligence Bill; the Enacted Exchange of Information Bill and as I have said, we have put systems in place regarding '*politically exposed persons*'.

Mr. Speaker, this Motion makes the point that both the NDP and the ULP have been on record calling for the passage of the legislation in the quickest possible time. And we have three Bills before us, which are in incubation; and there might well be others; as the discussion ensues. And these Bills will be circulated among the public for further discussion and consultation. And that we will have a discussion too on the functioning of existing Integrity Legislation in the Caribbean and elsewhere; to see how we can learn from what is happening. And then of course, we make every practicable effort in this Honourable House to secure bi-partisan support for such legislation when it comes before the House.

Mr. Speaker, this is a most important issue it is not a simple matter, it is a matter of tremendous complexity and it is a matter that involves balancing a host of factors so that we can make sure we strengthen the provisions to

ensure that there is no *'corruption'*: but at the same time to make sure that we do not 'lock out' so to speak, persons who may wish to offer themselves not for life in Parliament alone: but for also in other areas of public life: be it in the Judiciary; in the Statutory Public Enterprises or in the Senior Public Service positions; or as members of Boards of Public Enterprises.

In Britain, there is no legislation of the type which we are contemplating, they have evolved a *Registration of Members Interest* and you can be brought before the Privileges Committee for disciplinary actions; if you do not do the reportage of your interest. And what happens is that when that takes place, this is a matter of public record and if you offend any criminal law of the kinds, which I have spoken about a short while ago or you have misbehaved in public office offending the common law; well then you will be dealt with under the relevant laws. Mr. Speaker, this is a matter which I have from my own contribution; persons would see that I have made a considerable study and I have had a tremendous reflection on it. We do not want a situation where you may declare on one hand; the operation is successful: but the patient is dead.

While at the same time you do not want an *'open sesame'* where a small minority; in fact, I will say a tiny minority could possibly walk through because of any loopholes. There is a delicate and calibrated balance, which is required that we can maintain: financial; pecuniary; integrity and on matters relating to property; honesty. I am hopeful that we can proceed in the manner in which we have started. I have sought to avoid laying blame on anyone of a political nature on this exercise: but to show what we have done; what is the history; what are the existing circumstances; what is the context and what is the text. I am obliged.

**HONOURABLE MR. SPEAKER:** Honourable Leader of the Opposition.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, I would like to make a few comments on the presentation made by Honourable Prime Minister. First of all, Mr. Speaker, it is true that the original draft of the motion which we, did, did not specify within the draft legislation: the question of the Public Servants who may have to be involved in the process: but it did say:

**“Be it also resolved that similar legislation be brought before the House to govern the conduct of certain categories of Public Servants”.**

But there is never any attention on our part, Mr. Speaker, to exclude the Public Service on this matter; we just felt that you will have to do some specific legislation with regard to that. I want to put that on the record. Mr. Speaker, I am aware that the Criminal Court and other legislation in St Vincent and the Grenadines could be used in certain circumstances to deal with this matter: but Mr. Speaker that is a passive kind of approach to this matter; what engenders the most interest and probably the most concern is that because you have to make an annual declaration the Parliamentarians and or the Civil Servants know that they will always be under scrutiny.

And that is what separates provisions with relation to a commission for which you are required to make a submission on an annual basis; so that changes in you financial status will be known each year and that is a completely different picture from what exist in relation to a legislation available now. So, you are required at the 31<sup>st</sup> December, each year; to submit your declaration to the Commission. And that Mr. Speaker is

fundamentally important. It means that every one of us in here knows that come a particular date we must submit our declaration for the examination of our assets and liability. I do not see how Mr. Speaker, we could avoid that.

I am concerned and I mentioned it when I spoke; I am concerned about the situation in relation to common little balance in terms of people's privacy; that is why there was a provision in the draft, which was put there so that the commission: the commission, if there is any concern on their part can deal with it as a commission. It is only when they are dissatisfied, Mr. Speaker, and the matter cannot be corrected it is likely to be reported to the Parliamentary Leaders as suggested in the draft and I think we need to focus on that. And again in recognising the need for a balance in terms of people's privacy on this matter; there are very stiff penalties in relation to persons on the Commission and who are working for the Commission. And the penalties are very stiff in deed. So, while I recognise that there is existing legislation including the money laundering and criminal court and so forth, the difference here is that we are required to declare. And I believe that is important; that is an important distinction. [Inaudible interjection] As for the question of the Motions brought by the opposition over the years... it [inaudible] been here for how many eight years? All of us know that the same thing happens every year. Motion or no motion and other Private Member ... and we know the reason for it. I am not going to get caught up in whether the particular day one motion came before the other; because there were times when no motion came at other than from the opposition and we have not had a debate as we are having here today in that entire period. I am not going to be carried away by that.

Mr. Speaker, the Prime Minister expressed the concern that because of the way matters could proceeded that there may be resistance or unwillingness of competent persons to come forward and has suggested that that is the case already in Trinidad and Tobago and St Lucia; because they want their privacy and therefore, it becomes difficult to recruit or select persons who will carry out some of those functions: why he has indicated that as a concern. Mr. Speaker, I on the other hand believe that there are people who will come forward, I believe that and we just have a difference of opinion over that.

You may say it may be harder to get people to come forward; I do not believe that it is impossible to get people to come forward to serve. I think that there are a number of people in our island, in our region who are concerned enough because while the Prime Minister indicates that this may be a matter for a small minority; I do not agree with him at all. I think quite a lot of people are of the opposite view and I believe that those persons concern enough about the society; whether they belong to a political party or not who have sufficient interest in these matters and who are concerned enough and that they will come forward.

And that is why I raised the question of the secrecy provisions applicable to the Commission and its staff. Mr. Speaker, but I recognised too and that is why in the draft that I did, I said that we should look for legislation not too dissimilar because I recognised that during the course of preparation for this exercise and to come up with adequate legislation; that there is no one draft that you can work on alone; that there is going to be need for discussion and there is going to be need for amendments: but there are certain fundamental things that have to be in the legislation.

This is where we must reach agreement on those things that are fundamental in improving people's confidence and destroying or minimising the perception that they have of us as Parliamentarians. I think that is where the ball lies. I recognise and I accept that one has to have consultation; I have no problem with that or I would not have agreed to the motion as amended. But the point is Mr. Speaker; all of us in this Parliament accept that this is an important issue. All of us accept it; I have no doubt in my mind that all members of this Parliament accept [inaudible] and while we may have differences of opinion on certain aspects; the same way today; that we reach a compromise in terms of the drafting of the motion; it is not beyond our capability, Mr. Speaker, to reach a compromise in relation to the type of legislation since we want bi-partisan support. With these few words, Mr. Speaker, I recommend that this Motion be adopted by the sum of the House.

**Integrity Legislation Resolution Bill  
Moved and Accepted**

**BILLS**

**(1) BANANA INDUSTRY BILL, 2009**

**HONOURABLE MR. SPEAKER:** Third reading Honourable Minister.

**HONOURABLE MONTGOMERY DANIEL:** Mr. Speaker, earlier on this morning the report was tabled and so I want to Mr. Speaker, move that the Bill be read a third time by title and pass.

**Banana Industry Bill, 2009  
Read a Third Time and Passed**

**(2) FINANCE BILL, 2009**

**HONOURABLE MR. SPEAKER:** Honourable Prime Minister.

**DR. THE HONOURABLE RALPH GONSALVES:** Speaker, Honourable Members, I beg to move that a Bill to enact to amend the laws contained in the Provisional Collection of Taxes: Order 2008, # (63) of 2008; be read the first time. The object of this Bill is contained in the long title for this Bill, Mr. Speaker. I so move.

**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 carried through all its stages at today's sitting and pass.

**Question put and agreed to**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I beg to move that a Bill to enact to amend the laws contained in the Provisional Collection of Taxes: Order 2008, # (63) of 2008; be read a second time.

**Question put and agreed to**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, this is a matter upon which there has already been a debate at the time when we presented the Budget. These are the fiscal measures which are contained in the Budget for 2009; they have been in operation since January 1st, by virtue of the Provisional Collection of Taxes Act, under which a Provision of Taxes Order has been made. Now, Mr. Speaker, Parliament has so organised its affairs that the Appropriation Bill is passed; the Provisional Taxes Order gives effect to those fiscal measures: but Parliament is the authority to specifically approve the measures and that is why we have now come with this Bill to have them specifically approve in the form of a Bill and not just in a form of an executive order; which is made pursuant the Provisional Collection of Taxes Act. So, that we will see here that we have amended the Income Tax Act and what we have done here is to increase the threshold from \$17,000 to \$18,000; below which we do not pay any taxes and we have reduced the top income tax rate from 35% to 32.5%.

In relation to the Excise Tax; we have made certain amendments and they are listed there with the headings and the description of goods. We have altered the Queens Warehouse Rules by making certain changes, which really will benefit the importers; make it cheaper or make it more competitive for the business sector. I do not anticipate that there will be any debate on this; since we have gone through all of this in December. I am obliged Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Honourable Leader of the Opposition.

**HONOURABLE ARNHIM EUSTACE:** Mr. Speaker, I did not support the Budget. I recognise that this is a done deal and therefore; there is no need for any further debate.

**HONOURABLE MR. SPEAKER:** Honourable Prime Minister.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I beg to move that this Honourable House dissolved itself into a Committee of the whole House to consider this Bill Clause by Clause.

**House dissolved into Committee to consider Bill  
Clause by clause**

**House Resumed**

**HONOURABLE MR. SPEAKER:** Honourable Member I have the honour to report that the Bill for an Act; to amend the laws contained in the Provisional Collection of Taxes; Order 2008, #63 2008 has passed the Committee stage without amendment. Honourable Prime Minister.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I beg to move that the Bill to enact to amend the laws contained in the Provision for the Collection of Taxes; Order 2008, #63 2008; be read a third time by title and pass.

**Question put and agreed to**

**(3) SEVENTH DAY ADVENTIST CHURCH OF ST VINCENT AND THE GRENADINES  
REGION INCORPORATION BILL 2009**

**Bill to enact the Incorporation  
of the Seventh Day Adventist Church  
Read the first time and passed**

**DR. THE HONOURABLE RALPH GONSALVES:** May I just say Senator Forde's Motion is on the Order Paper; it has not been heard today. I am hopeful that we can make some time to have her Motion debated. If not the next time; the time after we should try to have to make some time. It is an important motion; I am suggesting Mr. Speaker, that our meeting on March 26<sup>th</sup>, Thursday, March 26<sup>th</sup> that is the next date; so that we keep our schedule of having at least one meeting a month throughout the whole year. Sometimes we have more than one meeting a month and this year it does not look as if we are going to have any holidays again. Accordingly, Mr. Speaker, I beg to move that this Honourable House do stand adjourned until Thursday 26th March at 10:00 a.m.

**Question put and agreed to  
House adjourned at 6:20 p.m.**