

**No. 11**

**Tuesday**

**Second Session**

**31<sup>st</sup> July, 2012**

**Ninth 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 FIFTH MEETING, SECOND SESSION OF THE NINTH  
PARLIAMENT OF SAINT VINCENT AND THE GRENADINES CONSTITUTED AS SET OUT IN  
SCHEDULE 2 TO THE SAINT VINCENT AND THE GRENADINES ORDER, 1979.**

**TENTH SITTING**

**31<sup>st</sup> JULY, 2012**

**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

Minister of Education/ Deputy  
Prime Minister  
Honourable Girlyn Miguel

Member for Marriaqua

Minister of Housing, Informal  
Human Settlements, Physical Planning,  
Lands and Surveys  
Honourable Clayton Burgin

Member for East St. George

Minister of Agriculture, Forestry  
and Fisheries and Rural Transformation  
Honourable Montgomery Daniel

Member for North Windward

Minister of Tourism and Industry  
Honourable Saboto Caesar

Member for South Central Windward

Minister of Health, Wellness and  
The Environment  
Honourable Cecil McKie

Member for West St. George

Minister of National Reconciliation  
Labour, Information and Ecclesiastical Affairs  
Honourable Maxwell Charles

Member for Central Leeward

Minister of National Mobilisation,  
Social Development, the Family,  
Persons with Disabilities, Youths,  
Sports and Culture  
Honourable Frederick Stephenson

Member for South Windward

Minister of Transport and Works, Urban  
Development and Local Government  
Honourable Julian Francis

Government Senator

Parliamentary Secretary in the Office  
Of the Prime Minister  
Honourable Elvis Charles

Government Senator

Honourable David Browne

Government Senator/ Deputy Speaker

## **OTHER MEMBERS OF THE HOUSE**

Honourable Arnhim Eustace  
Leader of the Opposition

Member for East Kingstown

Dr. the Honourable Godwin Friday

Member for Northern Grenadines

Honourable St. Claire Leacock

Member for Central Kingstown

Honourable Roland Matthews

Member for North Leeward

Honourable Nigel Stephenson

Member for South Leeward

Honourable Vynnette Frederick

Opposition Senator

Honourable Anesia Baptiste

Opposition Senator

**ABSENT**

Minister of Foreign Affairs, Foreign Trade  
And Consumer Affairs

Government Senator

Honourable Dr. Douglas Slater

Honourable Terrance Ollivierre

Member for Southern Grenadines

Honourable Daniel Cummings

Member for West Kingstown

# ST. VINCENT AND THE GRENADINES

## HOUSE OF ASSEMBLY

TUESDAY 31<sup>ST</sup> JULY, 2012

### PRAYERS

**HONOURABLE HENDRICK ALEXANDER, MR. SPEAKER:** Mr. Speaker, read the prayers of the House.

**Dr. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, Mr. Speaker, may I crave your indulgence for a brief moment to acknowledge the presence of the Director General of the Organisation of Eastern Caribbean States Dr. Len Ishmael and four members of the OECS Commission. They came here, Mr. Speaker, to have a meeting with me as the current Chairman of the OECS Authority. I believe they must be very tired, Mr. Speaker, because they left the meeting last night just before 1 a.m. well this morning just before 1 a.m. and I am sure that they would like to go and those who have to get back home would get back home as soon as possible. So Mr. Speaker it is really a joy for us to have them here and I want to welcome them.

Mr. Speaker before we proceed with order of business I had like your indulgence in an important matter concerning the OECS. As is now public knowledge the first meeting, the inaugural meeting of OECS Assembly which is a consultative body to the rule making powers of the OECS Authority that that Assembly is having its first meeting in Antigua and Barbuda on Friday 10<sup>th</sup> of August; there is some business which we have to transact, Mr. Speaker, because we have to send to the Assembly five members from this Honourable House, three (3) from the Opposition and two (2)...sorry two (2) from the Opposition and three (3) from the Government reflecting the proportionate representation in this Honourable House. And when that is endorsed here by this Honourable House, Mr. Speaker, it would be necessary for you, Mr. Speaker, to transmit a certificate to the OECS Secretariat indicating, who are the five members of this Honourable House to represent Saint Vincent and the Grenadines at the OECS Assembly you may recall, Mr. Speaker, the Revised Treaty Basseterre establishing the OECS Economic Union cosigned, ratified by this Government and put into domestic law so we are ourselves, ready in every material particular to proceed with this additional institution designed to strengthen the governance and deepen the democratic participation in OECS matters by all the people of this region...the representatives of all the people of this region...this sub-region.

Mr. Speaker, before I indicate who are the three (3) on this side and the Honourable Leader of the Opposition would indicate who are the two (2) persons and then we would have them all endorsed. I should point out that tomorrow it is a very important day for the OECS in that it is the first anniversary of the Freedom of Movement Regime, where all the members of the OECS not the associate members, the full members of the OECS, the six

independent countries which make up the OECS that is to say Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines. That the citizens can move freely throughout the region...the sub-region. For instance if a Grenadian comes to St. Vincent or a Vincentian goes to Grenada or Dominica they indicate to the Immigration Officer that they are here, they are just coming in, they do not have to ask them how long they are staying or whether they have a job or anything, save and except if there is security consideration, well then those security consideration would apply in due course. So tomorrow it is an important anniversary in that regard.

Mr. Speaker, there is one other matter connected to tomorrow, tomorrow is Emancipation Day, the 178<sup>th</sup> anniversary since the passage into law in Saint Vincent and the Grenadines, they...an Act to abolish slavery, I have taken, Mr. Speaker, the time over the weekend to prepare a paper of forty-three (43) pages which I lay in this Honourable House as a Statement without reading it. I have given the Honourable Leader of the Opposition a copy it is entitled, "The End of Slavery in Saint Vincent and the Grenadines and our Commemorations in 2012" and he has also a CD so that copies can be made for his, the members on the other side. It can be made available also to all Honourable Members on this side and it has been transmitted already yesterday to all members of the media. So I beg to lay this, Mr. Speaker, as a Statement but which I would not make but here, but the Statement has been made.

So, Mr. Speaker, on the substantive matter the three nominees, the three persons from the Government side are the Honourable Minister of Health and the Environment, I think in this case, Mr. Speaker, I can call the name because they are not going in their ministerial capacities but their individual capacities, the Honourable Clayton Burgin the Member for East St. George and the Honourable Saboto Caesar the Member for South Central Windward and yours truly, Mr. Speaker, the Prime Minister.

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

**HONOURABLE ARNHIM EUSTACE:** Mr. Speaker, I will nominate Dr. the Honourable Godwin Friday representative for the Northern Grenadines and myself the Leader of the Opposition.

**HONOURABLE SPEAKER:** let me join with the Honourable Prime Minister welcome you to our Parliament today, I observe as he has stated that you well should be tired and I hope that at least you would spend a little bit of your time with us, at least get an understanding of how our particular Parliament works. We want to welcome you here this morning and I am sure that many of would have been here before and would have had enjoy the stay here in St. Vincent and that you would continue to do so. I had planned to make a statement this morning in relation to the Standing Orders and our understanding and interpretations of some Orders and it seems to me that some members quite sure or familiar with certain Orders as they are and as that we are being governed by but I...under consideration I would leave that for another time. So I would not go through with that I would leave that one for another time with due respect for our visitors and others. Thank you very much.

**Dr. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members I beg to move on the Standing Order 12(5) that the proceedings of today's sitting be exempted from the Standing Orders hours of sitting.

**Question put and agreed to.**

## **ORDERS OF THE DAY**

### **1. Property Tax Bill, 2012**

**Dr. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, it should say I moved for the exemption of the time limits of the...for our business of today, Mr. Speaker, out of an abundance of caution. We have two substantive Bills to be debated I am hopeful that we would be through before 5 p.m. ...

**HONOURABLE SPEAKER:** I say 12

**Dr. THE HONOURABLE RALPH GONSALVES:** ...But if not Mr. Speaker we are in order for a long day.

Mr. Speaker, Honourable Members, I beg to move that a Bill for an Act to make provisions for the valuation of property for rating purposes. The levying and collection of property tax and for connected purposes moved that this Bill be read a first time.

**HONOURABLE GIRLYN MIGUEL:** Mr. Speaker, I beg to second the motion.

**Question put and agreed to.**

**Bill read a first time.**

**Dr. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, this is an involved piece of legislation which we ought to put to a Select Committee so that we can hammer it out clause by clause in a Select Committee to have inputs from citizens and other non-state actors. Accordingly, Mr. Speaker, I name the following persons on the Government side to this Select Committee; the Honourable Minister of Health, the Honourable Minister of Foreign Affairs, the Honourable Minister of Transport and Works, the Honourable Minister of Agriculture, the Honourable Minister of Tourism, the Honourable Senator Elvis Charles, the Prime Minister and of course the Honourable Attorney General.

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

**HONOURABLE ARNHIM EUSTACE:** The Honourable...Dr. the Honourable Godwin Friday, Senator Lewis, Representative for Central Kingstown Leacock, Representative Patel Matthews North Leeward, the Honourable Daniel Cummings and Myself.

### **2. The Co-operative Societies Bill, 2012**

**Dr. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, may I have the Sergeant-At- Arms help me with the podium.

Mr. Speaker, this Bill, the Co-operatives Societies Bill had come out of Select Committee, we had done the first reading so we are now at the stage of the second reading of this Bill.

Mr. Speaker, I beg to move that a Bill for an Act to make new provision with respect to the registration, supervision, governance, operation and management of Co-operative Societies including Credit Unions. The

members of which have a common bond of philosophy and socio-economic objectives and for incidentals and related purposes be read a second time.

**HONOURABLE GIRLYN MIGUEL:** Mr. Speaker, I beg to second the motion.

**Question put and agreed to.  
Bill read a second time.**

**Dr. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, the context for this Bill if I may, is that we are in the process not only in Saint Vincent and the Grenadines but regionally in reforming the legislative framework and the institutional arrangements regarding non-banking financial institutions, and the critical non-banking financial institutions which we are addressing in this particular Bill in addition to other Co-operative societies to the Credit Union.

Mr. Speaker, we have, we have spent a fair bit of time earlier this year or last year and we have put matters in place this year for the Single Regulatory Authority to be established and that is now in the process of being established. The staff members are being recruited so that the banking institutions would be regulated as usual by the Central Bank, the Eastern Caribbean Central Bank. The international financial institutions which currently being regulated by the International Financial Services Authority would be regulated by the Single Regulatory Authority, so too would the building societies which are regulated currently through the Ministry of Finance, hitherto it was the Registrar of the High Court. The insurance companies which are regulated currently by the Office of the Registrar of Insurances and the Credit Unions which currently being regulated by the Office of the Co-operative Societies, but as the Single Regulatory Authority kicks in, all of those entities would be regulated through and under the authority of the Single Regulatory Authority. And the law which would be applied for Credit Unions would be the law which we would be passing today.

Mr. Speaker, Credit Unions have become multi-million dollar institutions, the data that I have, Mr. Speaker, as at June the 20<sup>th</sup>-30, 2011 as follows, nine (9) Credit Unions with 56... no sorry, Mr. Speaker, I have the data for the June 30<sup>th</sup> 2012 and I should give that; nine (9) Credit Unions 58, 160 members, \$321.5 million in assets, \$317.3 million in savings, loans of \$196.1 million, reserves of \$31.4 million, Institutional Capital of \$38.6 million, Permanent Shares \$13.24 million, liabilities \$182.5 million, income \$27.1 million, expenses 24...\$26 million and the new loans dispersed as at the 30<sup>th</sup> June, 2012 is \$67.9 million. These are huge financial institutions and therefore the framework which...the legal framework must reflect the seriousness of these particular institutions and to have an efficacious institutional structure for these Credit Unions and also to have an oversight authority fit for the purpose. But of course, I repeat this Bill before us addresses other than Credit Unions, broadly all Co-operative societies.

So Mr. Speaker, as the purpose of the Bill indicates is to provide for the registration, supervision, governance, operations and management of Co-operative Societies including Credit Unions, the members of which have a common bond of philosophy and socio-economic objectives.

Mr. Speaker, earlier in our post-emancipation development into the 20<sup>th</sup> century from the 19<sup>th</sup> into the 20<sup>th</sup> century, Credit Unions were very small and they were really used to build bonds between people, they have

their own needs, their members were not able to go to banking institutions to do their business, to get loans, they were able to do it in the Credit Unions. In fact, Mr. Speaker, as we all know, in every village, in every community in this country, there has long been and still is, but less soon now than hitherto what is called the 'susu-hand' where persons would throw their susu-hand which is a form of Co-operative, it does not involve any interest and if ten (10) people are in the susu-hand and is 10 weeks and you get your susu-hand on a weekly basis the person who has got the first hand has to wait until the 11<sup>th</sup> week to get another susu-hand. Many a susu-hand has cause problems because sometimes when a fellow get his hand...his susu-hand early he does not want to put any money inside of it and you gone go to Grenada, St. Lucia, to.... [Laughter] So the Credit Unions are a susu-hand of a sophisticated kind with checks and balances ensuring that people will get their money. This is what... this is the Co-operative principle. I know now-a-days that people, some people do not like socialism but it is an elemental form of socialist co-operation. People looking out for one another, they are in solidarity with one another and it is certainly grounded profoundly in social democratic principles. And that is why we speak of a common bond of philosophy and socio-economic objectives.

Part 1 of the Bill, Mr. Speaker, and I should indicate that the Bill is a very long one with 18 parts and 250 sections and a schedule. Mr. Speaker, I do not intend to go through each of these sections because I will do a summary, both for Honourable Members who are not in the Select Committee and also for the general public who are listening to us on the television and radio but attempt to do it sufficiently succinct that we can get the essence of what this Bill is about.

Part 1 of the Bill provides for the preliminary matters including the short title of the Bill, the commencement date of the Bill and the interpretation. These are Clauses 1-3. By virtue of clause 2 words used throughout the Bill are defined including Co-operative society and Credit Union.

Clause 2 provides that with a reference to the Registrar in relation to the Credit Unions is a reference to the Financial Services Authority to which I have alluded in my preliminary comments. While a reference to Registrar in relation to other Co-operative societies is a reference to the Registrar to Co-operatives.

Provision is made in clause 2...part 2 of the Bill clauses 4-25 for the registration of Co-operative Societies by virtue of clause 4 a prohibition is placed on the carrying on of the business of a Co-operative society without registration.

Clause 5 of the Bill makes provision for the recognition of the Registrar of the Co-operatives Societies for regulating Co-operatives other than Credit Unions and for the regulations of Credit Unions by the Financial Services Authority. Matters that are relevant to registration including the keeping of a register, the Registrar's regulatory powers, the cessation of a business of a Co-operative society and liquidation, the power of the Registrar to issue guidelines, certificate of registration, application for registration, conditions of registration, requirement for a registered office, inspection of an access to records and suspension and cancellation of registration are provided in Clauses 6-25.

By virtue of part three (3) of the Bill, clauses 26-52; provision is made for membership for a Co-operative society and meetings of a Co-operative society. The procedures for meeting of the co-op society are set out in part three and include annual general meetings, general meetings and special general meeting. The Board of a

co-op society...of a Co-operative society approves applications for membership based on certain criteria. The election of directors is to take place annually and directors are to serve for a term of three (3) years and cannot be appointed for more than six (6) consecutive terms. Provisions is made is made in part three (3) for the power of members of a Co-operatives societies to make by-laws and appoint delegates to a general meeting.

Mr. Speaker I want to say this that those who are already members remain obviously members. I for instance, I am a member for three (3) co-op societies...three (3) credit unions; I am a member of the Unity Labour Party Credit Union, I am a member of the Government Employees Co-operative Credit Union and I am a member of the Teachers union Credit Union. The...apparently, Mr. Speaker, in an earlier dispensation, under the earlier provision I ought to have obtained permission to belong to more than one, but I think that that was a provision observed more in the breach, and you could have been permitted so to do by the Registrar of Co-operatives. Of course no one seriously thinks unless there is some overwhelming reason that you would be denied membership in more than one.

Part 4 of the Bill Mr. Speaker, provides... through clauses 53-94 for the management of a Co-operative society by a Board of Directors made up of not less than five (5) members or more than thirteen (13) directors. The Board is charged with the exercise of the powers of the Co-operative society, either directly or indirectly through the Co-operative agents or employees. The Board is given the power to establish committees for the efficient management of various aspects of the business or affairs of the Co-operative society. Further by virtue of clauses 59 and 65 respectively it is mandatory that a Co-operative society establish a credit committee and a compliance committee elected by the annual general meeting.

Provision is made in part five (5) for the financing of the Co-operative society by the sale of equity or ownership shares to members, share capital and transfer of shares.

Part six (6) of the Bill provides for the business of a Co-operative Society. Provision is made in clause 106 for the marketing of produce through a Co-operative Society, while clauses 107-118 provide for the creation, execution, registration and effects of a charge in favour of a co-op society including the liens on shares, deduction applied to loans and compulsory sale of shares. The property and funds of a Co-operative Society are provided for in part seven (7) of the Bill including the investment of funds of the society, loans by the society, prohibited loans, receipt of loans deposits, receipt of deposits from minors, allocation of surplus, the establishment of development funds and pension funds by the Co-operative Societies, charitable contributions and dividends and bonuses to members of a Co-operative Society.

Clauses 129-146 contained in part eight (8) of the Bill provide for financial disclosure and audit of the Bill. Thus provision is made for the appointment and the terms of appointment of suitably qualified auditor with powers of examination and inspection to carry out the audit of a Co-operative Society. By virtue of clause 129 it is a requirement that the Annual Financial Statement and Reports of the auditor of Co-operative society are placed before the members by the directors. Clause 146 provides for the Registrar to require a Co-operative Society to provide annual, monthly or special returns.

Mr. Speaker, part eight (8) of the Bill is very important for the matter of accountability. Once we follow this we are not going to have the problems with the Hindu Credit Union has in Trinidad and Tobago. These...we have a

lot of money \$321.5 million in assets and loans of \$196.1 and savings \$317.3 million, this is a significant number and remember this, the membership is 58,160, of course there are people who are overseas who are members of the credit union, who still pay their book but this is a huge number and in fact Mr. Speaker the number is growing, in fact over the last year the membership grew by 3percent.

Mr. Speaker, part nine (9) of the Bill, clauses 147-54 are the provisions which are stipulated for the reconstruction of Co-operative societies.

Part ten (10) 155-162 provides for the appointment of a Receiver or Receiver Manager by the Registrar or the Court to protect the equity of members of a Co-operative Society. This is a very important section of the Bill in which it strengthens oversight and accountability.

Part eleven (11) provides for the disillusion of a Co-operative Society by its members by the Registrar or by the Court and we find that between clauses 163 and 167. Matters relating to disillusion are provided for in part ten including in the revival of dissolved Co-op Society, the appointment of a liquidator and the commencement of liquidation and closure of liquidation.

Examinations and investigations are provided for in part twelve (12) of the Bill, clauses 185-192. This again is a set of powers to have a proper oversight and to have accountability, to have hygiene in the operations of credit unions. The Registrar is given the discretion to appoint a person as an Examiner to exam the records and affairs of a Co-operative Society. Provision is made for the compliance by the Co-operative Society and its directors and members with request by the Examiner. The Examiner is charged with the power to inspect, including the power to take copies and extract of books and other documents or items relating to the Co-operative Society clause 185.

By virtue of 186 the Registrar may appoint one or more investigators to investigate the affairs of a Co-op Society where an application is made by twenty-five (25) members or 10 percent of the membership of the Co-operative Society whichever is less and the Registrar is of the opinion that is it necessary to do so in the interest of orderly and proper regulation of the business of a Co-operative Society. So the members themselves can be very vigilant and to trigger certain processes for inspection and investigation and examination.

Part thirteen (13) of the Bill provides for the settlement of disputes relating to the business of a Co-operative Society by referral to the Registrar, the hearing of appeals against decisions of the Registrar or an Arbitrator to the Co-operative societies appeals tribunal, referrals by the Registrar or an Arbitrator by way of case stated to the Court on a question of law and the enforcement of awards and the recovery of loans, very important legal provision for the protection of the assets and the rights of members.

By virtue of part fourteen (14) of the Bill provision is made for specialised Co-operatives Societies including credit unions, consumer Co-operative Societies and housing Co-operatives Societies and industrial Co-operative Societies. I am hoping, Mr. Speaker, that we will see some more active consumer Co-operatives Societies and certainly if we can have housing Co-operatives Societies. The establishment and constitution of apex bodies by Co-operative Societies by function of such apex bodies are provided for in part fifteen (15) of the Bill, the Credit Union League for instance.

Part sixteen (16) of the Bill makes provisions for offences, namely corrupt practices and bribery, falsely obtaining property of a Co-op Society and use of the words 'Credit Union' or 'Co-operative' without being registered.

Miscellaneous provisions are made for in part seventeen (17) of the Bill including execution and filing of By-Laws and statements, waivers of notices, alterations, rectifications and corrections of documents, exemption from stamp duties and taxes, abandoned property in credit unions and the power to make regulations. These are in clauses 234-247.

Part eighteen (18) of the Bill provides for transitional matters including the continuation of office by Officers and Directors of Co-operative Societies on the commencement of the Bill and the due registration of Co-operative Societies registered under the former Act and those transitional provisions are in clauses 248-251 for the practical carrying over of the regulatory work and all the legal elements touching and concerning the Credit Unions and Co-operatives. The Constitutions and procedures of the Co-operative Society appeals tribunal is provided for in the schedule to the Bill so that the Minister responsible for Finance appoints the members of the appeals tribunal and the appeal is by notice in writing sent or delivered to the Chairperson of the appeals tribunal.

Mr. Speaker, I expect that this Bill will be passed without any real hiccup today since there has been a lot of work done in the Select Committee on both sides of the House. I want to thank the office of the Honourable Attorney General, I want to thank the Registrar of Co-operatives and the Department of Co-operatives, I want to thank the Credit Union leaders including those from the league and I see representatives from the credit union movement here in the gallery listening to this debate. I want to thank all Honourable Members for their excellent work in the Select Committee as Honourable Members know that even after the Bill had come out of Select Committee, the Credit Union leaders ask for its return to the Select Committee to address a couple of provisions which they felt needed to be fine-tuned, given the experiences in other countries like Dominica and we facilitated them. I want to thank the officials from the Ministry of Finance, from IFSA; I want to thank all those involved in the Ministry of National Mobilisation. I think this is a very good collaborative effort on behalf of the country, on behalf of the near sixty thousand members and this would add to the stability of our financial system. I am much obliged, Mr. Speaker [applause].

**HONOURABLE SPEAKER:** Thank you very much, further debate Honourable Leader of the Opposition.

**HONOURABLE ARNHIM EUSTACE:** Mr. Speaker, I rise to make my...

**HONOURABLE SPEAKER:** Just a minute... you were indicating something just now...

**HONOURABLE ARNHIM EUSTACE:** I rise to make my contribution to this important piece of legislation that we are debating here today along with the recently passed Financial Services Authority Legislation.

Mr. Speaker, at this time, in our world there is a lot of examination of the financial architecture and the financial structure of many, many countries and many different areas of the world and we ourselves here in the Caribbean and the OECS in particular find ourselves having to make many legislative changes in relation to that very reality that confronts us. Sometime ago..., well not too long ago actually we passed the Financial Services

Authority Legislation and we know that the Central Bank has the responsibility for dealing with the Commercial Banks and now we have the new legislation that covers the non-bank financial institutions including insurance companies.

Mr. Speaker, I want to read the very first few lines of this Bill, “An Act to make new provision”, with the emphasis on “new” with respect to the registration, supervision, governance, operation and management of Co-operative Societies including Credit Unions. The members of which have a common bond of philosophy and socio-economic objectives and for incidental and related purposes.

The implication, Mr. Speaker, is that the structure we had in the past was not good enough and new provision is now being made in matters like registration and supervision and the other areas mentioned. We ourselves in this region have recently (particularly in the OECS) seen the impact of what also call lack of supervision, of what the BAICO and CLICO crisis that we have spent so many hours dealing with in this region and while some work has been done and some success achieved, there is a very important lesson that we have learnt from that exercise and I see now that the Financial Services Authority will also have its role in relation to insurance companies.

Mr. Speaker, I am pleased that the time has been taken and all of us here have participated in one way or the other to really look in some detail at what is needed to ensure that the Co-operative Societies and our Credit Union Movement operates on a basis of financial prudence. It is very, very important indeed at time of poor or even negative economic growth there is impact on the work of Credit Unions and at the time the need for the Credit Unions themselves to lift their game in terms of prudential guidelines is also very important and sitting in the Select Committee I know that the Credit Union Movement has given its full support to the number [of] changes that have been made and embodied in this piece of legislation.

I recall you know some years ago when I lived in another Caribbean country, Barbados and there was an economic crisis growing in the 90s one looked at the efforts of the then Barbados Government in trying to control the use of the Foreign Exchange with limitations in ordering of vehicles and matters of that sort. Everybody forgot one thing, they did not exercise that in relation to the Credit Unions, so while the banks were in line with the Government policy, the Credit Unions were spending money as if there was no Foreign Exchange crisis and a lesson was learned from that and that is another reason, Mr. Speaker, why I am pleased to see the numerous and new credential guidelines that are included in this piece of legislation.

I think it is important for our own people to note and our own Parliament that for the time being and I guess for to save the future our banks, our commercial banks will continue to be supervised by the Eastern Caribbean Central Bank. So that aspect of supervision will be dealt [with] that way, but all other none bank financial institutions will fall under the Financial Services Authority.

I want to quote from a few sections of this legislation because I do not believe I am going to speak very long on this one, but there some sections which strike me as being critically important as we move forward and revise our financial structures and I want to turn to page 23 in the first instance, and that is the section that is headed “Registration of Co-operative Societies” and it says and I want to read it because I believe it is very important that those in our Co-operative Movement have a clear understanding of what is really going to happen under

this new regime. Those in the management and so on will know, but if we 55,000 or 58,000 members of Co-operatives, I think there should be a general understanding of many of the issues in changes that are now part of this legislation which will soon as we say become law.

On Registration 4(1) a person shall not carry on the business of a Co-operative Society unless it is registered in accordance with this Act. A person who contravenes subsection (1) commits an offence and is liable on conviction to a fine of \$100,000 or to imprisonment for a term of three years or to both. Subject to Subsection (2), there shall be a Registrar or Co-operative Societies who shall who shall be a public officer appointed by the Public Service Commission and whose duty shall be to regulate cooperative societies. For the purposes of regulating Credit Unions, the Registrar shall be the Financial Services Authority. And that legislation has already been passed.

But when one looks at the penalty for committing an offence in this regard, it is clear that this Act has serious intent, serious intent, in other words, there is no need for flyby, no need for Co-operatives which do not have the substance both in terms of staffing and ability to adhere to guidelines. So you cannot just go and establish something and expect that it will pass muster in relation to this law. It states specifically if you contravene this section and carry on a business you are going to pay a penalty. Having set that kind of tone, Mr. Speaker, it goes on and you find other areas which are also critically important in relation to what the Co-operative Society should do and what it should not do.

I want to turn to page 26, “The Registrar may, after consultation with Co-operative Societies, issue guidelines in respect of- prudential standards to be observed by Co-operative Societies to ensure the safety and soundness of the funds of Co-operative Societies; the management and investment of the funds of Co-operative Societies; the calculation and management of doubtful and delinquent loans; self insurance arrangements; prudential guidelines in respect of anti-money laundering and combating the financing of terrorism; and in the case of Credit Unions, it has the PEARLS guidelines and they have relevant international accounting standards been observed.”

“The Registrar shall make the guidelines and all amendments to the guidelines available for inspection by the public.” You know there is an aspect of the Credit Union Movement or this whole Co-operative Society Movement which I think is different to almost anything else we have in terms of financial infrastructure and that is those Junior Credit Union Members in the various schools. Here we have an opportunity to inculcate in the minds of very young people who in the future would be the guardians of this movement and therefore the publicity, the training in information provided for those young members is very important.

I remember at the rally to tell someone to go, there were quite a few young people there who were members of these unions of Credit Unions and I think some emphasis in terms of the information should be provided specifically in relation to those young people. And it is very, very important, Mr. Speaker and I turn to another section again on page 32 and I want to point out, “A Co-operative Society shall not be registered, or having been registered, shall not continue to be registered under this Part, unless its membership consists – in the case of a credit union, of not less than one hundred members; in the case of any other Co-operative society, of not less than twenty members; unless it is economically viable and has provision for equity capital expansion and continuous business growth.”

All these are things you would probably think you should take for granted, but this Bill sets them out very, very clearly and “unless there is conformity among its membership with all the Co-operative principles as set out in section 3.” So this is almost in a sense you know like a teaching document, whether it is in fact a Bill and we expect it to be lodged shortly, there is a lot in here for the information and the education of the public in relation to the standards that should be set and followed by the Credit Union Movement, not only here in our St. Vincent and the Grenadines, but also in the OECS society and further abroad, but I am concerned here with the OECS at the present time.

I jump, Mr. Speaker, to section 119, I am choosing some of them randomly because I believe they are critical in terms of the future.

**HONOURABLE MR. SPEAKER:** Section and not page right?

**HONOURABLE ARNHIM EUSTACE:** Section, yes section. And this relates to the Property and Funds of Co-operative Society. It says here, “The Board shall establish written policies for investing for income the accumulated funds of the Co-operative Society not used in the primary business of the Co-operative Society, and shall ensure they are in compliance with legislative requirements.” It goes on, “Subject to subsections (3) and (4), the funds of a Co-operative Society including the statutory reserves may be invested or deposited in”, and it sets out a list of acceptable institutions in which Co-operative Societies and Credit Unions should invest.

They can exist in any central Credit Union, Central Finance Facility, Deposit Guarantee or Stabilisation Fund for Credit Unions or Co-operative Societies, Shares or Deposits, Loans too or in the security of a Co-operative Society and Limited Liability, any company licensed to accept the deposit. Well they had the deposits going to British American you know under the annuities where people..., many public servants and persons in the Private Sector put their money there and now proverbially they are catching hell to get it back and those who in fact had intended to spend their latter years, where this is their basis investment to go along with their pension, find themselves in grave difficulty although some progress was made now for those persons who invested \$30,000 or less, but it had people who invested hundreds of thousands. There are persons who invested millions and there is a lot of work ahead of us if there is some satisfaction to be given to those persons and of course this had an impact on the investment climate in our country, it has an impact on the available resources for investment in our country and therefore an impact on growth and development for our country.

You can invest in any stock, debentures, funds or securities issued by the Government. Securities, the payment of interest of which is guaranteed by Government to look into avenues of safety for the investment funds of the Credit Unions, securities issued in a CARICOM state by a company incorporated in that member state and listed by the stock exchange of a CARICOM member state of the company has paid dividends on the shares for the preceding five consecutive years. You do not look as you might have been able to do in the past and say well this company doing well, you got to be able to show and know that you have been paying dividends for at least five years before you can take the funds of the Credit Union and invest in any such company.

So you see while an effort is being made to have investments flow from the Credit Unions into other entities, safeguards are being provided all along the way and if these safeguards are followed you are not likely to have some of the things which we now face with British American and CLICO. So when you look at these, all of

these and I am quite frankly, I am very pleased to see all of these guidelines being incorporated into the legislation. And it goes on to say now, “the investments refer to above especially shares or deposits or loans, the investments shall not exceed, it shall not go further than ten percent of the unimpaired capital of the Credit Union.

In other words, there is a limitation as to far you could go in the use of the Credit Union Resources for particular types of activities, and that is one and it goes on, the equity investment of a Co-operative Society in any entity shall be limited to twenty percent of the equity investment of that entity. So as you really go through the process in this piece of legislation, you see very clearly the whole structure of the architecture that is being provided for in this legislation. It deals with safety, it also deals with liquidity and also deals with yield, something that our NIS is very aware of and that is why you have guidelines of this sort and why those guidelines should be followed.

Mr. Speaker and it goes on and on, the limit how many you can put in a single institution. When one looks at this I am very pleased that in fact we have a series of prudential guidelines which are critical to viability and profitability of a Credit Union membership and institutions.

I want to look at another section again, Mr. Speaker, I think section 124, this might be a little laborious, but I want the point to be made and our public to understand that it is not business as usual, the Credit Unions are going to operate with new guidelines, credential and otherwise, which has to be followed. In section 124 [interjection] like I getting blind, and this deals with the allocation of surplus when the Credit Union makes the surplus, “Where a co-operative society realises a surplus in a financial year, before it allocates among or credits to members the surplus, the directors shall use any part of the surplus that the co-operative society will require to refund all or any part of a deficit it has preciously incurred”, so you cannot go out and pay to members and you owe something somewhere else. You know you have to deal with that first.

“Shall establish and maintain a reserve to be known as its statutory reserves”, and that is an important requirement, “May provide, out of any surplus remaining having complied with the previous paragraphs in the manner set out in its bye-laws, for payment out of the surplus, dividends on members’ equity shares.” So again, credential guidelines and guidance in relation to maintaining the viability of the institutions that fall within the framework of this piece of legislation. And it says, “statutory reserves shall be part of the institutional capital of the co-operative society and subject to the approval of the Registrar, be used in the business of the co-operative society, including unforeseen losses, unexpected shortfalls in liquid cash, capital retention, improved earnings, financing of non-earning assets, repair and maintenance and the avoidance of external borrowing. A co-operative society shall ensure that its statutory reserves and other institutional capital reserves are, at no stage, less than ten percent of its total assets.” Again another wise guideline to ensure viability and profitability, we cannot get again from these things you know. The world in which we live today would require it, will require it in terms of viability of our own institutions and therefore it is necessary to look very carefully to a lot of these and a lot of these matters.

I make my last check on section 128 and this relates to dividends and bonus. Everybody wants bonus, everybody wants dividends when year-end comes you know. It is not much concerns during the course of the year about viability and the management of the institutions, but come end of year especially a calendar year

people looking for nice things for Christmas and it says here, “Subject to this subsection and sections 124 and 125, any surplus may be distributed by way of dividend or bonus amongst its members in proportion to their business with the co-operative society at such rate as may be prescribed.”

So you can distribute your surplus, but it goes on, “A co-operative society shall not declare or pay a dividend or bonus or distribute any part of its accumulated funds before the financial statements have been certified by a qualified auditor.” “The society shall not be paid dividends or make any payments on account out of its profits until its institutional capital has reached a proportion of not less than ten percent of the total assets of the society”, and it goes on, “shall not declare or pay a dividend from unrealized gains including stock grants or share grants or gains arising from asset revaluation.” Again, wise guidelines, prudential is the word, but wise guidelines which are important if one is to have a financial infrastructure for the Credit Union Movement which ensures accountability and also viability.

Perhaps I quote enough words there on the Bill. I want to say this; there are many other areas you know in this piece of legislation. Some of them were mentioned by the Prime Minister in his presentation, we have the area of audit, you have the area of receivership, dissolution, examination and investigations, all of these are covered in the legislation and the stance and actions to be taken are clearly indicated given any particular set of circumstances. I really have and I have had this for some time one concern, one particular concern in relation to the passage of legislation with the FSA (Financial Services Authority).

I have discussed it at the Select Committee and I will state it here again, not in opposition to this Bill, but I want to be very practical. We have agreed in the past that the Central Banks has a responsibility for supervision of Commercial Banks which I understand in this summary around the number of 47 or so in our OECS countries, but all other non-bank financial institutions will fall under the FSA and the FSA will have to be a very, very strong institution, otherwise the words that we put down here in this Bill would be without meaning, because the FSA not only has to deal with the Credit Unions and the Insurance Companies, they have to deal with Offshore Finance and all that goes with that and while that is now being set up and staffing put in place, I believe this matter requires the greatest attention and urgency. It is a very broad mandate that has been given to this institution and I have my concerns with regard to that that whether that one institution will have the capacity to deal with all these subsets of institutions that are being mentioned.

We talk about an asset base for the Credit Union being some \$321 million and I remember hearing one member of the Select Committee from the Credit Union Movements already saying that he believes (I see him here today) that there has to be amalgamations within the Credit Union Movement because individual institutions may not have the strength or the wherewithal to conform with the prudential guidelines that are set out in this legislation. So whatever institution, and in this case the FSA has been established to deal with this matter. It has to be very clear, it has its work cut out for it in great measure and therefore the capacity, its institutional capacity, is critical to the ability of the Credit Union Movement to move forward within the framework of the prudential guidelines that have now been set. It is very important to my mind. I support this Bill. I just have that reservation in relation to the ability of the FSA to adequately meet all the requirements that are being set out in the various subsets. Thank you very much; I am much obliged [applause].

**HONOURABLE MR. SPEAKER:** Thank you, Honourable Member for South Windward, you can sit awhile let me just get the timing here correct. All right go ahead.

**HONOURABLE FREDERICK STEPHENSON:** Mr. Speaker, Honourable Members. Mr. Speaker, before I make my contribution to this most important piece of legislation, I crave your indulgence, Mr. Speaker, to recognise in the gallery this morning, members of the CARICOM Youth Ambassadors Programme for St. Vincent and the Grenadines and I crave your indulgence just to ask them to stand to be identified please, Mr. Speaker [applause]. They are a group of talented young Vincentians and they were installed yesterday evening at a ceremony at the Paradise Inn and they have indicated to the nation that they are ready to make a more significant contribution to the further development of St. Vincent and the Grenadines and I congratulate them and welcome them to the House of Parliament today [applause].

**HONOURABLE MR. SPEAKER:** You can sit thank you. Welcome to you as well.

**HONOURABLE FREDERICK STEPHENSON:** Mr. Speaker, Honourable Members, it was UN Secretary General, Ban Ki-moon speaking at the launch of International Year of Co-operatives 2012 who had this to say, “through their distinctive focus on values, co-operatives have proven themselves a resilient and viable business model that can prosper even during difficult times. This success has helped prevent many families and communities from sliding into poverty.”

The theme Mr. Speaker, Honourable Members for the International Year of Co-operatives 2012, co-operative enterprises build a better world and I am indeed very delighted this morning, Mr. Speaker, that as a Government we are debating this very important piece of legislation which is in effect in keeping with the three main objectives of the International Year of Co-operatives and permit me just to highlight three. Increased awareness of the public about co-operatives and their contributions to socio-economic development and the achievements of their millennium development goals and I listened to the Leader of the Opposition in his presentation as part of one of the clauses of this piece of legislation. This legislation speaks about the public awareness. Secondly promote growth by the formation and growth of co-operatives among individuals and institutions to address common economic needs and foster socio-economic empowerment and most important of all, what we are doing here today. Establish appropriate policies whereby Governments put necessary regulatory bodies to establish laws and regulations conducive to the co-operative formation and growth.

Mr. Speaker, what we are doing here this morning is in keeping with this mandate and I am very delighted, Mr. Speaker, to support this Bill. How did we get here, Mr. Speaker? The process towards modernisation of the co-operation legislation started in 2006 in the OECS States with input from the Caribbean Federation of Credit Unions, the Registrar of Co-operatives in each state and National Co-operative Leagues. In January 2007, Mr. Speaker, our own co-operative division in the Ministry of National Mobilisation in conjunction with the St. Vincent and the Grenadines Co-operative League facilitated national consultation on this proposed co-operative Bill.

In 2008 Mr. Speaker, the Central Bank had discussions and dialogue with the Caribbean Conference of Credit Unions on this Bill. Subsequently after much lobbying St. Vincent and the Grenadines Co-operative League and dialogue between CCU Leaders and the ECCB final draft was submitted for consideration by the Co-

operative Movement, the Attorney General's Office and Cabinet. This process continued earlier on this year and we are here today doing the second reading of this Bill.

Mr. Speaker, what are the major objectives of this Co-operative Bill? One, to improve the Government supervision, regulation, operation and management of Co-operative Societies including Credit Unions to provide for greater transparency within the co-operative sector, to create a platform for wider investment possibilities across the OECS States in a manner that is guided and prudent and is related to policies, procedures and legislations. To create greater stability within the financial sector of St. Vincent and the Grenadines and the OECS, to utilise international best practices standards and procedures in analysing and evaluating the financial performance of Credit Unions and Co-operative Societies, this, Mr. Speaker, is one of the pieces of harmonized legislation that we are doing here like the rest of the OECS.

Mr. Speaker, Honourable Members, section 26(2) of the Bill which found on page 40 or maybe 41 because I think I have the draft copy, provides for CARICOM Membership, Mr. Speaker. This clearly fosters economic integration among the CARICOM region and it is all in keeping with the plans outlined in the Revised Treaty of Chaguaramas for the free movement of capital and the free movement of our people. Section (4) of the Bill provides the Registrar of Co-operatives and the Co-operatives Department statutory responsibility to support economic activities through viable Co-operative Societies at a time when Government emphasis is on poverty reduction, employment creation and social rural transformation, social inclusion and equity.

Mr. Speaker, section 15(4) of the Bill provides for suitable measures, procedures and policies to counter money laundering and combat the financing of terrorism and we have the Financial Services Authority's Act which has passed earlier on this year and we have the Money Laundering Act which also would be able to help in the policing of this most important piece of legislation for the continued development of the co-operative sector in St. Vincent and the Grenadines and Credit Union.

Mr. Speaker, I heard the Leader of the Opposition speak of the Thrift Programme in the schools and I want to see as at June 30<sup>th</sup> this year, the Schools Co-operative, the Thrift Programme, there are 87 schools on that programme with a value of savings close to EC\$1 million and that is significant, Mr. Speaker [applause] in terms of the Thrift Programme in the schools and we are hoping that before the end of the year that this number of schools will be increase. I would hope to see that we have the extra 13 to reach the 100 score which is very significant, Mr. Speaker, with a value of savings in excess of \$1 million.

Mr. Speaker, section 15(5) of the Act provides and promotes good governance and financial ability and the functions of the Apex Body like the St. Vincent and the Grenadines Co-operative League is clearly detailed to greater direct operational efficiency in the co-operative sector. Mr. Speaker, I want to report that I know that we hear of amalgamation of some societies and in times like these, Mr. Speaker, the stronger has to help the weak, because we know that we do not want any of these societies to fall by the wayside. If they do fall by the wayside then it would mean that the members are the ones who are at a greater loss. So in terms of amalgamation Mr. Speaker, this is something that is very important for the Co-operative Movement here in St. Vincent and the Grenadines.

Mr. Speaker, I want to say that I have been a member of the Kingstown Credit Union since 1988 and Mr. Speaker, just leaving school and starting to work, I understood the importance of the Credit Union in St. Vincent and the Grenadines. I am not going to say what it did for me, but I am still a member of the Credit Union KCCU and would long remain a member, because I know the tangible benefits that I have received from the Kingstown Credit Union.

Mr. Speaker, I am confident that this piece of legislation will create their enabling environment, which is necessary for the improvement of the co-operative growth and development in St. Vincent and the Grenadines for enhanced financial stability for rural transformation and for the continued development of St. Vincent and the Grenadines. I therefore wish this Co-operation Societies Bill a safe passage through this Honourable House. I am much obliged, Mr. Speaker [applause].

**HONOURABLE MR. SPEAKER:** Thank you, further debate on this Bill, Honourable Member for South Central. You do not want to debate? [Interjection] oh, I see.

**HONOURABLE SABOTO CAESAR:** Mr. Speaker, the piece of legislation, the Bill currently before the Honourable House is not only necessary but it is very timely and it is timely because of the current global financial experiences experienced by our world today. I do not have to detail the reasons which have caused the entire world to be plunged into a global financial crisis because they are well known to all and sundry. But in the rebuilding process during the crisis and in the immediate aftermath of the crisis we have to ensure to the people of St Vincent and the Grenadines as a government; on the sub-regional level the OECS has to ensure; on the regional level CARICOM has to ensure that we do not make the mistakes that we made in the past, hence a Bill such as the one we are debating today in parliament is of paramount importance if we are going to set the requisite jurisprudential, and financial frameworks within which the cooperatives systems are to operate. Not only in St Vincent and the Grenadines but I hope it would be reflected by neighbouring islands in the sub-region and also at the regional level.

Mr. Speaker, assets of \$321.5 million is definitely a significant sum and whilst traditionally we have had a sort of ad-hoc framework within which cooperative societies, and cooperative credit unions would have operated; it is now the time for us to pull the legislation together and create a framework that would cause us to operate in a very stabilised financial environment and that is what we are here to do. But Mr. Speaker, it would be remiss of me if a day before our celebrations of emancipation day I do not delve into the issue that this Bill is actually an expression of our emancipation and of our freedom: a very significant expression of our emancipation.

Mr. Speaker, in 1834 when the emancipation Act of 1833 was finally passed and we had in the British West Indies the emergence of a peasantry, different means and modes were used and the Honourable Member for North Central would know, the Honourable Prime Minister would have noticed some of these means: the well known susu-hand. I have not been a member of a susu throwing group organisation; very young indeed but I am well aware of the importance ... [interjection] not rich at all. I am very well aware of the importance that these groupings would have had in the development of rural society not only in St Vincent and the Grenadines but in the entire British West Indies and particularly so in the immediate aftermath of the passage of the Emancipation Act and the growth of the peasantry. This is a means of bringing legislation for an idea and an philosophy which has sprung up from the grassroots, and it is very important that what we are doing here is a formalization of

something that we had inherited, and that we have started not only yesterday, not only by my brothers and sisters in the Credit Union League but it is an offshoot of our emancipation.

Mr. Speaker, a few days ago I attended a launch in Langley Park where the Women in Agriculture Langley Park Co-operative was launched and I just want to signify, Mr. Speaker that if we are to transform the agricultural sector in St Vincent and the Grenadines we have to ensure that the farmers and the farm workers are in a particular position, within which they can capitalise production: very important. And as we read our newspapers and as we engage in the debate of how you are going to transform the agricultural sector in St Vincent and the Grenadines the issue of a credit facility has always been around, and how a farmer is going to not only obtain credit, how he is going to manage his farm as a business; and critical and fundamental to the management of your farm as a business is the role of the Credit Union and the role of the Cooperative Division.

Mr. Speaker, as we seek in this country to mobilise farmers into producer groups where we will be focusing on particular commodities in a very intense manner, I can see being spurred out of these producers groups very important and strong cooperatives. I must all so take the opportunity, Mr. Speaker, to commend the Thrift programme where 87 schools as mentioned by my Honourable friend and member on this side of the House. Eight-seven schools, they have over EC\$1 million in their possession and this is definitely a sign of strength and not only of strength on a national level but that a particular group, the youth that they are taking this task seriously.

Mr. Speaker, issues of accountability and transparency are repeated throughout this entire Bill and if I may Mr. Speaker, section (77) speaks to a very important issue on page 71:

**“The duty of care of Directors and Officers”**

And it reads:

**“Every Director and Officer of a Cooperative Society in exercising his powers and discharging his duties shall:**

- a. **Act honestly and in good faith with a view to the best interests of the cooperative society.**
- b. **Exercise the care diligence and skill that a reasonably prudent person will exercise in comparable circumstances”.**

When a farmer, for example, Mr. Speaker, makes an earning from farming and places his earnings into a cooperative society what this legislation is doing is creating the framework for that farmer or that individual to have greater confidence and trust in the system. And this piece of legislation, Mr. Speaker, will definitely go a very long way in building the general trust and confidence that the citizens of this country would have in credit unions and cooperative societies. But Mr. Speaker, before I close, I will like to note that this piece of legislation, this Bill contains many sections with many roles, duties and responsibilities and whilst we are analysing the importance of this Bill as setting out the framework within which the Cooperatives and the Credit Unions are to operate, the issue of compliance is going to be critical.

As we assess the issue of compliance we cannot do that without looking into how these cooperatives and credit unions are going to build the capacity from inside to comply. Because if you have an excellent piece of legislation which is properly policed but the capacity is not within the Credit Unions and the Cooperatives to comply what you would have are well intended cooperatives falling by the wayside because of the failure to comply. And I just want to note that it is going to be a hard task and it is definitely a call for unity in a strategic way because the human resource is going to be stretched and we have to do it in a very organised fashion; so that we can have the highest levels of compliance.

Mr. Speaker, we have long gone past the days when persons are encouraged to keep their monies in their mattresses or to bury their monies in a biscuit pan at a tree root. The government is hereby creating a requisite framework whereby which the citizens of the country can feel comfortable in saving their monies in Credit Unions and Cooperatives. Mr. Speaker, I am obliged. [Applause]

**HONOURABLE MR. SPEAKER:** Further debate on the Bill? Honourable Senator Lewis, just a minute, I will tell you when to stand. Okay, you may begin now.

**DR. THE HONOURABLE LINTON LEWIS:** Thank you, Mr. Speaker. Mr. Speaker, I wish firstly to refer to a few statements made by the Honourable Member for the constituency of South Central Windward, when he said that this Bill is timely and when he also mentioned the historical significance of the Bill. Mr. Speaker, cooperatives and legislation relating to cooperatives seemed to have seen the test of time. It is true that since the 18<sup>th</sup> century legislation for cooperatives commenced. In England they were called friendly societies, and the purpose for establishing cooperatives was primarily to encourage thrift. And Mr. Speaker, it is important at this time and timely that thrift is encouraged in St Vincent and the Grenadines because, Mr. Speaker, we cannot have investments if we do not have savings and we cannot have consumption if we do not have income. So, Mr. Speaker, we have to try to encourage our people to invest and recognising that in St Vincent and the Grenadines we have quite a number of persons who are not very rich or so to speak poor; the Cooperatives organisation can be of great assistance in helping them to be able to at least achieve certain things in life.

You have heard the Honourable Member for South Windward mentioning the benefits that he has achieved from cooperatives, not to say that he is poor but at least he has been able to benefit from them. Mr. Speaker, a very major advantage of the Cooperative Society, Cooperative Society Act is stated in clause 241 of the Bill and I will read Mr. Speaker, 241, it says:

**“A cooperative society registered under this Act is exempt from any stamp duty, taxes and fees with which, under any law for the time being in force, instruments executed by or on behalf of such cooperative society or by an officer or member and relating to the business of such cooperative society, or any class of such instruments are respectively chargeable.**

**Notwithstanding the provisions of any other law in force in Saint Vincent and the Grenadines, a cooperative society shall be exempt from the payment of income tax, corporation tax and any other tax on the incomes of such cooperative society”.**

So, you see, Mr. Speaker, that that is indeed a great encouragement for persons to form themselves together in cooperatives and to try and save and take advantage of the benefits that are available. Mr. Speaker, the

significance of the Cooperative Societies Bill is indeed a very timely issue; we have just experienced, Mr. Speaker, in 2008 an international financial crisis arising out of mortgage situations in the international community. Mr. Speaker, the mortgage requirements or the requirement for mortgages is sort of lax, in addition to that, Mr. Speaker, quite a number of their securities and investments were backed by mortgages and when there was a big fallout in the mortgage market we saw quite a number of institutions, banks and other financial houses crumbling under the pressure when persons were unable to pay their mortgages.

In the Cooperative Societies Act, Mr. Speaker, there are very important provisions that deal with the issuance of loans and the conditions under which loans are issued, so that at anytime, there will not be a free for all situation like we had under the mortgage situation in 2008 in the International Banking Sector. So, the section that deals with the property of the fund that part that deals with the property of the fund and the issuance of loans, Mr. Speaker, seemed to have recognised the importance of having very stringent requirements even though those requirements may not adversely affect members from getting the loans that they deserve but it is not going to be a free for all situation.

The other issue, Mr. Speaker, that is important to us why it is so timely is that in every country there must be confidence in the financial sector. Throughout the world, Mr. Speaker, in the OECD 75% of their GDP comes from services, St Vincent and the Grenadines nearing 70% and most countries in the world seemed to be benefiting greatly from the provision of services and financial services play an extremely important role. If we ought to attract foreign direct investors to our shore we must show that we have strong regulatory framework that protect not only the investors but also to ensure that competent and honest persons are given the opportunity to operate and function within that framework. And we have seen here, we have heard from the Prime Minister; my Honourable Friend the Leader of the Opposition has pointed out those areas that actually established certain credential guidelines with respect to the manner in which the Cooperatives are managed and operated here in St Vincent and the Grenadines.

Because we must remember the BAICO and CLICO situation, we have to recall the Stanford fiasco and within recent times our own waterloo here with Millennium Bank in St Vincent and the Grenadines; and not forgetting, Mr. Speaker, closer to home the liquidity problems and the capital added [inaudible] problems with our own National Commercial Bank here in St Vincent.

So, Mr. Speaker, this bit of legislation is indeed very timely, it is a legislation that is very well drafted, it seeks to protect the members of the organisation and when one speaks about protecting the members of the organisation the Registrar of Cooperatives is empowered in this legislation to be able to remove Directors who seemed not to be complying with the requirements of the Act and to ensure that certain other Directors are installed.

Mr. Speaker, the Cooperative Societies Act is very extensive and vast in its provisions, it takes an institution from its cradle to the grave; it creates an entity that we will call a creature of statute imbued with the privileges, the immunities and the rights of a juridical person or we may say an individual can sue and be sued and it has an existence separate and distinct from its own members. So, indeed, Mr. Speaker, it is an entity by itself with powers to do certain things. But then it went further than that between its birth and its death if there is any such occurrence there are also very stringent guidelines as to how cooperatives should be managed here in St Vincent

and the Grenadines and so the Regulators, the Registrar has a tremendous amount of responsibilities in this respect.

Following the BAICO and CLICO affair a number of persons turned from the insurance companies to the insurance agents, and then they turned their attention to the Regulators to try and find some solace and understand why it is that they were able to suffer such losses, and what was the role of the Regulators in that respect. We have seen, Mr. Speaker, in the Cooperative Societies Bill that every effort is being made to ensure that the operations of cooperative societies are monitored, scrutinized diligently and supervised effectively and for that, Mr. Speaker, you know I welcome this sort of legislation to the House.

But Mr. Speaker, notwithstanding that I am a bit concerned about certain clauses in the Bill, not anything of significance but I was wondering whether or not, Mr. Speaker, clauses 12 of the Bill that is page 28 and 15 on page 32: "Conditions for registering Cooperatives" where it shows that the number of members that the entity should have. I was wondering if consideration was or could have been given to that entity's asset base, and not just only the number of members. Essentially, what I am saying, Mr. Speaker, is that it is true that you may have a hundred or two hundred persons which may qualify you, but if the asset base is very, very small one is wondering whether or not there could have been a different category for institutions of that nature.

**DR. THE HONOURABLE RALPH GONSALVES:** Number of credit unions or number of cooperatives?

**DR. THE HONOURABLE LINTON LEWIS:** Both of them.

**DR. THE HONOURABLE RALPH GONSALVES:** [Inaudible]

**DR. THE HONOURABLE LINTON LEWIS:** Mr. Speaker, I wish to draw your attention also to clause 23.

**HONOURABLE MR. SPEAKER:** You made reference to clause 12 but I did not hear you say anything.

**DR. THE HONOURABLE LINTON LEWIS:** And 15

**HONOURABLE MR. SPEAKER:** 12 and 15.

**DR. THE HONOURABLE LINTON LEWIS:** The 12 deals with the application and 15 Mr. Speaker, deals with the conditions for membership.

**HONOURABLE MR. SPEAKER:** Okay, all right; next clause.

**DR. THE HONOURABLE LINTON LEWIS:** Clause 23(2) (3) Mr. Speaker, just a stylistic issue because 23(2) has:

**"The Registrar may by order in writing cancel the registration of a cooperative society if ..."**

And it goes from a, b, c, d and then (3) says the same thing:

**"The Registrar shall by order in writing cancel the registration of a cooperative society if ..."**

And it goes on a, b; there may be an explanation for that but I was wondering why there is repetition in (2) and (3) when in effect they said the same thing.

Mr. Speaker, 23:

**“The Registrar may by order**

Well, one says “may” and one says “shall”. [Interjections] Yes, one says “may” and the other one says “shall” Let me look here, Mr. Speaker, one moment.

**DR. THE HONOURABLE RALPH GONSALVES:** If you look at different ones the factors in relation to the discretionary and the factors in relation to the mandatory are entirely different that is why. They are not the same conditions, where one is mandatory and one is discretionary, the conditions for the mandatory are completely distinct from those in relation to the discretionary.

**HONOURABLE MR. SPEAKER:** Thank you, continue, Honourable Member.

**DR. THE HONOURABLE LINTON LEWIS:** Yes, Mr. Speaker, one is “shall” and one is “may” I am using two different drafts here and it is a bit confusing but I want to appreciate that.

The next clause, Mr. Speaker, is clause 26(8).

**HONOURABLE MR. SPEAKER:** Twenty six what?

**DR. THE HONOURABLE LINTON LEWIS:** One moment Mr. Speaker. What is happening here, Mr. Speaker, is that there are two different copies of ... Ah!

**HONOURABLE VYNNETTE FREDRICK:** This is the one that everybody is using.

**DR. THE HONOURABLE LINTON LEWIS:** Twenty six, eight in one copy is different to 26 ... let me find it in another one, Mr. Speaker, bear with me a while there.

**HONOURABLE MR. SPEAKER:** Yes, I think what happened ...

**DR. THE HONOURABLE RALPH GONSALVES:** Excuse me; what came out of the Select Committee naturally is different than one that went in that is why you have two different ones. So, you did your preparation in relation to the earlier and not later.

**DR. THE HONOURABLE LINTON LEWIS:** Yes, yes it seems like that, Mr. Speaker.

**DR. THE HONOURABLE RALPH GONSALVES:** But the one which is later is the one which is before the House because that is the one which came out of the Select Committee.

**DR. THE HONOURABLE LINTON LEWIS:** Yes, Mr. Speaker, I will still try to find it in the later one, this part three to see whether or not there has been any amendment. [Long pause] Bear with me, Mr. Speaker [perusal of document]

**HONOURABLE MR. SPEAKER:** Yes, it is all right, the clock is ticking.

**DR. THE HONOURABLE LINTON LEWIS:** Mr. Speaker, I must admit that there is a marked difference between the two documents that I have before me here.

**HONOURABLE MR. SPEAKER:** So, maybe you might need to put away the one that went into the Select Committee and use the one that came out.

**DR. THE HONOURABLE LINTON LEWIS:** Yes, it is unfortunate I do not know which one went in and which one came out. [Laughs] [Laughter] I was given both of them Mr. Speaker.

**DR. THE HONOURABLE RALPH GONSALVES:** I want to advise my friend to get the Leader of the Opposition to appoint a special secretary to him to annotate what goes in and what comes out. [Laughter]

**DR. THE HONOURABLE LINTON LEWIS:** But Mr. Speaker, I think I just heard also the Honourable Member for South Windward is having the similar difficulty using a different one but that is no excuse Mr. Speaker, there are two of them. [Knocking the desk]

**HONOURABLE MR. SPEAKER:** Yes, you see what is usually done, the Clerk when she sends out her documents would send out the most recent copy of the document, and it is therefore incumbent upon you to ensure that you remove from your list the former copy, and pay attention to the one that is sent out by the Clerk, which would be the one that would have come out from the Select Committee.

**DR. THE HONOURABLE LINTON LEWIS:** Okay. Much obliged, Mr. Speaker. So, Mr. Speaker, the issue, Mr. Speaker, of the Cooperative Society's Bill is a very important one to this country at this time, we need to ensure that there is financial stability, we need to ensure that there is prudence and management, we need to ensure that we do not in any way find ourselves in a similar position that we found ourselves with BAICO and CLICO and what is important, Mr. Speaker, we need to encourage thrift because that is very, very important at this time in our economy.

Mr. Speaker, I stand in support of the Cooperative Society Bill, and I wish it a safe and successful passage through this Honourable House. Thank you very much.

**HONOURABLE MR. SPEAKER:** Thank you very much. Further debate, Honourable Member for Central Kingstown.

**HONOURABLE ST CLAIR LEACOCK:** Thank you very much, Mr. Speaker. I rise to lend my support to this important piece of legislation that is before us, generally speaking, there is minimum controversy in the document and it is really left for us to coalesce behind what certainly would help to enhance our financial architecture. I am sure, Mr. Speaker, that it is not loss on any of us in this Honourable House that the improved regulations coming at this time to this "non-bank institution" are more than timely. You would note I said "inverted commas" non-bank institution because if the truth be told banks are trying to look like credit unions and insurance companies too. Credit Unions are in some respects ATM included trying to look and resemble banks being the same but different, I suppose they would argue, and I see a gentle nod from the Strangers Gallery.

But it is for the good, Mr. Speaker, because one of the things that immediately jumps out at me is that the recent debacle in the region, the often repeated CLICO/BAICO experience either has or has the potential to very seriously damage investor's confidence in the region and in particular the confidence of many depositors to do any serious business with their respective domestic financial institutions. They after all would argue that they have learnt a very hard lesson and paid a very serious price, and so Mr. Speaker, anything that can be done or is being done to stave off this lack of confidence is good for wealth creation in our respective societies. And I see this legislation as doing exactly that. Mr. Speaker, as I stay clear of any real controversy today in this debate, I raise one only in passing because it may be an important piece of statistic that we need to get right, [There are some distractions on the other side, Mr. Speaker that ...]

**HONOURABLE MR. SPEAKER:** Honourable Member [inaudible] [striking gavel].

**HONOURABLE ST CLAIR LEACOCK:** Thank you very much. There is an important statistic that we need to get right in this society, Mr. Speaker. Mr. Speaker, I heard the Honourable Prime Minister speaking off his records of a potential 58,000 member's membership, 58,000 members in the movement. The same Prime Minister, Mr. Speaker, in his Budget Address on page 9, 2012 made an observation that St Vincent and the Grenadines has:

**“An economically active population of 50,000 people and he went on to say the rest of the population are too old to work, too ill to work, too young to work or are at school. At the same time St Vincent and the Grenadines labour productivity is comparatively low by international standards”.**

This is an important statistics for us to flag. What really is the economically active population of St Vincent and the Grenadines? And I would advance to this Honourable House just as it obtains with respect to what is the population for voting purposes that the economically active Vincentian population is way beyond the domestic statistics because several Vincentians who reside abroad maintain active participation in our economy through their remittances and we must not lose sight of that. It is a very important measure in determining the contribution to the National wealth, in fact, at one time I heard Bun Pan the famous Bun Pan said they have 100,000 members. The Honourable Member for Marriagua looked at me Bun Pan is a friendly society that is another story not for this parliament, but that's ... not here for controversy but I want to flag that.

For economy activity in St Vincent and the Grenadines we are way beyond the 100 or 106,000 people that we are talking about and must include the Diaspora in a very serious way through their remittances and their continued support of their family and in many cases their own membership even after they have left these shores of ours. So, we must not lose sight of that. Today Mr. Speaker, I just want to do a simple exercise and I go to the magazine which I would have to make a copy to this House the Barbados Business Authority of 2010, the front page. [Distraction again Mr. Speaker] this A.D.D do not wave your hand at me, when there is distraction there is distraction.

**HONOURABLE MR. SPEAKER:** Focus on what you are doing.

**HONOURABLE ST CLAIR LEACOCK:** Well, if I am distracted, I am distracted and it is my right to bring to you the distraction.

**HONOURABLE MR. SPEAKER:** Focus on what you are doing.

**HONOURABLE ST CLAIR LEACOCK:** I said it is my right to bring to your attention the distraction, you do not tell me to focus on what I am doing. I am speaking for my rights in this House.

“Credit Unions Stable [interjection] “Credit Unions Stable” is the front page of the Business Authority of 2010 [interjection] and I just want to read a few extracts, which are relevant to our situation, some reinforced and some established their point for the first time. And I am going to quote with your permission, Mr. Speaker.

**“Barbados Credit Union Movement is seeing a slight increase in delinquencies, more debt consolidation and the fall-off in the growth of deposits but continued overall expansion in financial health despite tough economic times”.**

I do not know to what extent all of that is true for St Vincent and the Grenadines it would not surprise me if our experiences are similar, namely we have tough economic times and the union is facing different challenges. The officers went on to say:

**“In this troubled economic area in Barbados, the Caribbean and the rest of the world, their financial service institutions were on a course to register 9-10% growth in that year 2010”.**

I imagine that in St Vincent and the Grenadines we have had similar growth paths whether we are 9-10% or less or greater I am not sure but I would be happy to know that we in fact growing here. It went on to speak about the slight increase in delinquencies but they said that there is a higher level of consolidation and a reduction in deposit growth at this time since there is less disposable income in Barbados.

**“Notwithstanding all of these factors, the credit union has continued to do well and maintains its growth level. The current economic situation is in no way threatening the overall strength of the Credit Union not at all”.**

This is what I find particularly striking.

**“I think credit unions do better in the type of economic environment we are in right now: namely against the background of the international challenge, which had impacted our own societies. There seem to be an argument that is saying that Caribbean people are tending to pull in their nets, cut and contrive and function more within the credit union organisation than the traditional banking institutions, and that may be a contributor to the growth that some of them are seeing”.**

He however, added a Mr. Innis who members in the Gallery may know said:

**“He would not be surprised if the movement experiences some contraction in the number of credit unions through mergers, a step that would bring about economies of scale”.**

I think the Honourable Member for East Kingstown alluded to this that there may be some benefits there; and he said:

**“What we may be facing is a situation in which what two credit unions can get together and do for their membership would be more advantageous instead of remaining on their own. In other words, there may well be the case for some amalgamation among credit unions to give vent to the old adage: “There is strength in numbers”.**

And as was said economies of scale, the conclusion of that article I also found to be useful, Mr. Speaker, and I am speaking here so that our listeners can appreciate the value of the credit unions to them. I am a strong supporter and believer of the credit unions and I know that generally well run in St Vincent and the Grenadines.

**“We want to be in a position that when our members come to us we are able to pretty much reorganise their financial position so that they are in a better position to weather the financial turbulence”.**

I think that is extremely important with respect to the credit unions. It is not that people are simply coming for monies but they are equally receiving good sound solid advice in challenging times, and we must not underestimate that contribution of the Credit Unions to our societies at this time, Mr. Speaker.

Mr. Speaker, I do not know if it is by accident but in the very same magazine the Barbados Business Authority, on the other side of that credit union is a stable story, there was a very interesting article: “The Wealthy Opting for Catastrophe Funds” and I will read the first paragraph and two extracts to show you what I found particularly interesting in these two articles that are being juxtaposed.

**“The world’s wealthiest families have embarked on damage limitation rather than seeking to boost their fortunate, as financial turmoil erodes their richest. With some so worried they are putting their monies in catastrophe portfolios. We have to explain to our clients it is not about making monies these days, it is about keeping wealth said, Ivan Adamovich head of the Geneva Operation Swiss Bank Wegelin. With inflation eating away at peoples’ nest eggs and rock bottom interest rates making living off capital increasingly difficult many rich people are taking new risks just to stand still”.**

The private banker said. What we are seeing, Mr. Speaker, it is a good contrast of how two different halves live, those who already have and having to be running fast to stay in the same place and the have-nots who have to find institutions that will assist them to have but both parties converging quite clearly through different institutions. I say that to make the point, Mr. Speaker, what we are in fact supporting here today in this parliament, in this credit union legislation is a mechanism, a modality, a business model to continue to improve the lives of the have-nots. I am therefore grateful, Mr. Speaker, to lend support to this very important piece of legislation before this Honourable House, much obliged. [Knocking the desk]

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

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I want to thank all Honourable Members for their contribution to this important debate. Mr. Speaker, I simply want to add a few comments to bolster some contributions, very briefly. When we look at the time series data for economic growth in St Vincent and the Grenadines and the OECS, and indeed in the wider Caribbean one notices that

other than in the period an earlier period where there were tremendous market subsidies for bananas and also certain specific expansionary activities in the private and public sector, particularly regarding tourism; that one sees a pattern settling down even before the economic crisis globally of relatively moderate growth.

In some case low growth which suggest that the structures of our economy in the Caribbean with the exception of say Trinidad and Tobago which is petroleum based, and now we are seeing precious metals assuming a role in Guyana and also in Suriname that is to say gold that there are structural weaknesses in our economies which had to be altered over a period of time and some growth retarding tendencies, which may be sociological or even cultural. That is to say a condition where there is a satisfaction with relatively low levels of productivity comparatively reducing the extent of our competitiveness.

But cutting across these sociological or even cultural restraints is a set of factors again emerging from the people which are sociological and cultural, which prompt economic activity and growth through a number of institutions with the credit unions being among the central institutions of a cultural-sociological nature; which contribute to the improvement of people's living standard and growth. So it is a fascinating area for further inquiry and obviously for public policies appropriate to those circumstances assuming that that observation has a particular resonance. This is not to down-play all the other elements which traditionally we talk about, which go into making the economy sound and put it on a growth path; issues relating to public expenditure and taxation issues and foreign investments and the like. State to state assistance and so on and so forth and I think the credit unions are on to something, therefore, on which we can conceivably build. It may well be that in the agricultural sector that where some resources are being currently mobilised for credit facilitation in agriculture for small farmers, perhaps the mechanism through which those monies should be challenged should be the credit union that is a possibility.

In fact, a sum to the tune of above \$1.52 million and I think that is an area where we will have lower costs of managing the funds and easier set of institutional arrangements for the small creditors in the agricultural sector to handle. So, I came from a general proposition of an observation of broadly looking at the time series data and some things which cross cut some of the negative restraints, which are positive in the sense of the credit union movement and therefore to be utilised to do some other things.

Mr. Speaker, this Bill when we pass it, it will come into operation on a day fixed by the Governor General by proclamation and published in the Gazette as in clause 1:2 of the Bill. Mr. Speaker, and as I end I want to urge every Member of this Honourable House who is not yet in a credit union to join one [knocking the desk]. I want to urge everyone, we have all spoke glowingly about the credit union movement and I think we should encourage our families and encourage other individuals as I had indicated in my opening and the Honourable Member for Central Kingstown made the point; perhaps in a stronger way where clearly there are members of the credit unions who are outside of St Vincent and the Grenadines and who continue as we say to pay their books.

And I would ask, Mr. Speaker, that you do it in a way that you can get it taken out of taken out of your salary. I for instance I have my pay slip, I got it today, I have three of them drawn out just after the tax man has taken his portion which is significant [laughs] there are three items relating to three credit unions where I have given the Accountant General the requisite documentation to send the deductions each.

So, I invite every single Member to get their families and to get their children who start working to put a little something inside of the credit union. If we would have done that we would have done the credit union a tremendous service and if is one thing which we do today or the day after tomorrow to commemorate our emancipation is to join the credit union movement.

We emancipate ourselves from mental slavery and we provide other forms of liberation individual and collectively I say to strength ourselves and to liberate ourselves from economic restraints and to facilitate the building of your country join a credit union of your choice.

With that I beg to move Mr. Speaker, Honourable Members that a Bill for an Act with a short title to be cited as the Cooperative Societies Act 2012 be read a third time by this title and passed.

**Question put and agreed to**  
**Cooperative Society Bill read a third time by title and passed**

**COOPERATIVE SOCIETIES ACT, 2012**

**3. The Airport Service Charge Bill, 2012**

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

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, this Bill also went into Select Committee and unfortunately we did not have anyone from the Opposition as I recalled participating in this Select Committee though they were named. I do not know whether the days were not convenient, but nevertheless here we are we had tabled the report already at the last meeting on Tuesday and also the Minutes of the Select Committee.

Accordingly, Mr. Speaker, I beg to move that a Bill for an Act to impose an airport service charge on passengers departing by air from St Vincent and the Grenadines to make provision for the collection of the charge and for connected purposes be read a second time.

**Question put and agreed to**

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

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, before us is a Bill the purpose of which I have just outlined and for which, Mr. Speaker, there is a small typographical or really stylistic amendment to clause 6:6 which has been circulated, and I just want to indicate on the page 6 on that – it goes from page 5 to page 6; on page 6 where you see at the top (a) and (b) it should be Roman numerals (i) and (ii). So, 6:6 would have (a) and (b) and also Roman numerals (i) (ii). Honourable Members are with me on that? Okay, let me go over again, if you look at the document which has been sent around, which has been circulated clause 6:6:

“**Notwithstanding anything in this section**”; (a) and (b) the charge shall be paid to not (a) and (b) now, but (i) and (ii), Roman numerals (i) and (ii). So, for ease of reference 6:6 would not have (a) and (b) and (a) and

(b) but (a) and (b) and (i) and (ii) Roman numerals. You are now with me now? [Interjection] Thanks, I just wanted to ...

Mr. Speaker, clause 1 of the Bill seeks to provide for the short title of the Act and the date of commencement of the Act. The Act would commence 90 days after the date of its publication in the Gazette because, Mr. Speaker, the agency which is doing the collecting, the “International Air Transport Agency” they would have to be advised with the Bill and to have all the processes in place. So, I think that has to bear in mind in terms of the operation of this Bill.

Clause 2 Mr. Speaker, defines certain terms used in the Act; clause 3 will impose the charge on every passenger leaving St Vincent and the Grenadines from an airport, subject of course to certain exemptions which are stated in clause 5. Clause 4, Mr. Speaker, would indicate the charge as set out in the schedule and would give the Cabinet power to vary the charge by an order in the Gazette. This order anytime it is changed with any time it is made would be subject to a negative resolution of the House of Assembly in keeping with the principle that any form of charge would require a parliamentary approval.

Mr. Speaker, currently the charge is EC\$40.00, in the process of having a new way of collecting this tax which this Bill is about, which you will pay it in the ticket, as happened with most countries in the world rather than pay it at the airport and it will be passed by the agency to the consolidated fund to the government. We last increase the departure tax to \$40.00 in 2004, eight years ago, and it is our intention that we should increase it and I have been very uneasy about the extent to which we increase it. And there was an idea first that we should increase it given the fact that we are building the International Airport, by \$20 and I think that is what is in the schedule but I think we should increase it by just \$10 and change it accordingly: the schedule from \$40 to \$50.00 in other words US\$19 which is the ...

Mr. Speaker, I have been agonising over whether we should or should not increase this charge and the agonisation has been coming from certain factual circumstances. We have had an economic challenge coming from overseas and the numbers though they have ... we saw an increase in stay-over visitors last year, and the expenditure. I am very concerned about in the region the cost of air transportation and the extent of the fall in numbers of people travelling across the region. Now, we need some additional revenues to fund the ongoing construction of the International Airport and every little bit helps, but I think that maybe \$20 increase at this time would be a little too much and it probably have a dampening effect on regional air transportation. And the judgement, I have thought about this quite a lot and I have discussed this with our advisors and I thought that maybe a \$10 increase would be just what we can bear in the circumstances, which will not affect the travel of persons. And bearing in mind that the last time there was an increase was eight years ago.

Mr. Speaker, we have just, we are building an airport for EC\$617 million or thereabout, we are in the last hopefully 1½ year of construction. The Terminal building is 23% complete and the OECC tells us barring inclemency of the weather or some natural disaster, God forbid, of some kind that we should be finished with the Terminal building by the end of September next year. The IADC (International Airport Development Corporation) has advised me that again all things being equal we should finish with the earthworks, the paving and everything and all the ancillary facilities by the end of next year to be able to do all the final approvals

through Eastern Caribbean Civil Aviation Authority, and the National Civil Aviation Organisation with which we are working on an ongoing basis to open sometime in early 2014.

I want to report Mr. Speaker, around the middle of May I had reported to this Honourable House about the progress made and publicly about the progress being made on the airport and in my budget speech: my last budget speech I also gave a lot of details. I just want to give a few additional details, as I speak to you at the moment Mr. Speaker, Honourable Members, the Asphalt Plant; sorry the stone crusher is being installed, as I speak to you right now. Those of you who know where Sammy Agard property was at Mount Pleasant, you know that is the road which you drive down near to where the old windmill used to be, when you come down from the road opposite from where Hutchinson is by the cross road you go down to go to Rawacou you will pass like where the Windmill the old sugar mill facility used to be. It is in that area of Mount Pleasant that they are currently constructing the stone crusher; as I said, the stone crusher has come in.

Mr. Speaker, we have already brought in the two loaders, they are already there. The purpose of the loaders is to move the stones which have been dug out on the site and to put them on trucks and also to move them themselves to go for crushing and we have been stockpiling stones over a period of time so that the stone crusher would go to work pretty soon to start crush stones for the runway to lay for the pavement, and also naturally for the areas where we have to put the base to do the concrete too, the apron and the like. A paver is already here it is parked at BRAGSA and the purpose of that paver is to help in the laying of that stone base. We have to get additionally pieces of equipment and those are being sourced for the Asphalt Plant, the rollers and so forth and also the Cement Plant and associated equipment, but before you actually get those to do their work you have to lay the base and that is why the stone crusher is the first order of business. And we have the loaders and the pavers and sometime in this month they should have come already but I have been advised there was a delay. Sometime in this month we are having five trucks out of Rincon in Puerto Rico, I think you know those trucks the big Mac trucks and they would be the ones primarily responsible to move the stones from point (a) to the Stone Crushing Plant.

So, I want to give you ... I know Mr. Speaker that there are persons who still live in dreamland and so even though the airport is happening before our very eyes they say it is not happening. I mean I do not know how people can deny the truth like that; that reminds me of the case of a person who goes on the top of a building and decides if he jumps he is capable of celestial assent ignores for instance, Newton's Law of Gravity but worst of all not just ignoring Newton's Law of Gravity but ignore reality that if he jumps he will fall; because Newton's Law of Gravity only explains the real world because before Newton lived men jumped and fell [interjection]

**DR. THE HONOURABLE GODWIN FRIDAY:** How you know that?

**DR. THE HONOURABLE RALPH GONSALVES:** Well if you are asking such an unscientific question [laughs] Mr. Speaker,

**DR. THE HONOURABLE GODWIN FRIDAY:** [inaudible] it is the state of the office.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, it is a sort of [interjection] Mr. Speaker [interjection] Mr. Speaker, I know since my friend is in jest, I do not know, I mean he has to be jesting because

it is a sort of query that someone would raise with you on the street if there is a recess from the Psychiatric Hospital. In addition to going recess from secondary school or primary school the hospital out there has taken a recess but I know that my friend is saying it in jest and therefore he is not a person who is on recess. The point I am making, Mr. Speaker, it is happening before our very eyes and it is a reality and let us just deal with the reality and do not deal with fiction, it is happening. It is being done and Mr. Speaker, I know as the sun rises with the same certainty I know that the sun rises tomorrow that and with the same belief that I have that Jesus Christ would come again. With the same certainty I know that in years to come after I am dead and gone, when Ralph Gonsalves is no longer a source of combat for anyone because I am in the grave, they would say, "That fellow is a really brave man, when you talk about brave that is brave; that is a man that is brave, the man build an airport in the most serious economic crisis in the world [knocking the desk] for a hundred years [knocking the desk] when nobody knew how it would have been done". Ah! Ah! Ah! They would say so, and you would remember. And that would start from the very moment when they start to sing "Amazing Grace" the second time at my funeral at the grave site that is when they will say it. They will sing it the first time in the Church, Mr. Speaker and I would want it a second time because those who are blind would now be able to see [laughs] and the grace would take each of us home.

So, Mr. Speaker, I do not think the people of St Vincent and the Grenadines will make any adverse comment except some people want to manufacture it to put on an extra EC\$10 for the departure tax where it had not been increased for eight years; and we need a little contribution further towards the building of the International Airport. I do not believe that our people who are reasonable and good natured they will say, "That what the Comrade has done there is something which is fair in all the circumstances".

**HONOURABLE ST CLAIR LEACOCK:** Mr. Speaker, I do not know if the Honourable Prime Minister would give way. You are concluding or you are giving away?

**DR. THE HONOURABLE RALPH GONSALVES:** No, I gave way.

**HONOURABLE ST CLAIR LEACOCK:** I just want you to be emphatic as you have come straight forward that the tax is essentially an Argyle Airport tax, basically that is what it is.

**DR. THE HONOURABLE RALPH GONSALVES:** I am not saying it is an Argyle Airport tax.

**HONOURABLE ST CLAIR LEACOCK:** You are not saying that?

**DR. THE HONOURABLE RALPH GONSALVES:** No! I am not saying that. It is not an Argyle Airport tax, you think an additional \$10 could make a very significant difference, but everybody is saying they want to make a contribution. Everybody is saying so and as they see the terminal building everything is happening and we have a new method of collecting this tax that people would say ... if I did not do it they would say, "The Prime Minister has lost a golden opportunity when you have a new system put on a little something on it". A mean, I know the people of this country you know, I know how they would respond in the taverns and in the Churches, I know how they would respond. There are those of course ... and in the valleys and in the valleys and in the hillside. I know of course those who will try to wind up opposition particularly some disgruntled elements opposed to me particularly from the petite bourgeois, I would expect that; I would expect that and I am prepared for that.

Mr. Speaker, it ill becomes the opposition as I heard, as the question which is posed by the Honourable Member for Central Kingstown for them to talk about things in relation to air transport. Mr. Speaker, it is in October 1984 that the NDP government put on the 5% ticket tax, they put on the 5% ticket tax it did not exist before and at the time when they put it on they said it is to help with the repairs and renovations of airport and to help to run the airport, yes! Not to build a new one you know, I did the research, I put it down on a little piece of paper so that I would not forget it inside of my shirt pocket; so that the people would know because they write down little things in their shirt pocket, the farmers, the workers and the stevedores they do it they write it down.

Mr. Speaker and at \$50 we will still be the cheapest in the Caribbean, the cheapest other than that. The one which is after us in that regard would be St Kitts which is \$54.39: US\$22, ours would be US\$19 or EC\$50. The EC\$50 does not quite be US\$19, it is US\$18.51 I think if you use \$2.70 the number by which we divide but you round it upwards and leave it at US\$19.

Mr. Speaker, interestingly in St Lucia not only the departure tax much more than EC\$50 they imposed a tax of US\$40 or EC\$100 and called it an airport development tax because they wanted to do some further development of their International Airport at Hewanorra; they have not put down blocks yet you know. Well, I know the new Prime Minister just took it out in his budget speech, he said he would bring it back when they put down some blocks because it is immoral at this time; the New Labour Party Prime Minister in St Lucia. So, Mr. Speaker, I spend a little time on this we would go from \$40 to \$50. I do not think that persons would complain about that: so that is clause 4.

Clause 5 would set out the categories of persons. . Mr. Speaker, let me just say this to walk through Barbados airport you know; to walk through Barbados Airport is BD\$30 or US\$30, I cannot remember which one, it is priced in the ticket. When you go from St Lucia to Barbados 54% - \$0.54 out of the dollar for the ticket is not LIAT you know; it is the taxes and adds on. So, I am mindful of all that and the question of intraregional travel but I think if we put it at a small \$10 from St Vincent I do not think that it would be onerous and I think people would consider it reasonable particularly in light that we have not had an increase since 2004.

Clause 5, Mr. Speaker would set out the categories of persons who are exempt from paying the charge and would give the Cabinet the power to exempt by order in the Gazette other persons or class of persons from paying the charge. This order would be subject also to a negative resolution in the House of the House of Assembly. Mr. Speaker, I draw attention to clause 5:

**“The following shall be exempt from liability to pay the charge:**

- a. **A child under the age of 12 years.**
- b. **A member of the crew of an aircraft when on duty.**
- c. **A passenger in transit for 24 hours or less.**
- d. **A passenger on an aircraft engaged in technical, meteorological, humanitarian or search and rescue operations.**
- e. **A passenger of an aircraft being used for military, diplomatic or ceremonial purposes of the government of any country.**

**f.A passenger who is travelling on a diplomatic passport issued by the government and such other persons or class of persons the Cabinet exempts under section 2.**

So, I want to say to the persons out there when you are booking your ticket for your child under 12, clearly you would have to take your passport to the travel agency so that they would see the age of the child; so that they can get the exemption because you are paying the tax source and that would be paid over. Well, none will be paid over for a child under the age of 12 but when they collect any tax it will be paid over in the way it happens in almost every other country in the Caribbean. I think we are the only one remaining to do it.

**DR. THE HONOURABLE GODWIN FRIDAY:** [Inaudible]

**DR. THE HONOURABLE RALPH GONSALVES:** Ah! You do not have to carry the family you carry the passport. [Laughs] You are really on recess today [laughs].

Clause 6 would provide that every airline or its agent would be responsible for collecting the charge from its passengers. In relation to a chartered or general aviation flight the charge would be paid to the immigration officer granting the clearance or to any other person, authority or agent specified by the Minister. So, there will be collections obviously at the airport in the case of a chartered air flight or general aviation flight.

Clause 7 would impose an obligation on an airline to make a report. Clause 8 would provide for the remittance of the charge collected by the airline. Under this section the Minister would have the power to enter into arrangements or agreements with any person, authorising the person to collect the charge from an airline. Clause 9 would impose criminal penalties on an airline that fails to remit all or part of the charge. It would also impose administrative penalties on an airline that fails to remit all or part of the charge or fails to submit the report. Clause 10 would impose an obligation on an immigration officer, or other person, authority or agent who collects the charge to issue a receipt. Clause 11 would specify that the charge has to be paid to the Accountant General who would have to give \$5 to the agency responsible for the disposal of solid waste and deposit the remainder in the consolidated fund. You know the usual charge for the solid waste.

Clause 12 will empower the Minister to authorize the Minister to enter premises of an airline or its agents to inspect records relating to the sale of tickets or the departure of passengers. Clause 13 will impose a criminal penalty on any person who obstructs the person who has been authorised to conduct an inspection of the records relating to the sale of tickets or the departure of passengers. Clause 14 will empower the Minister to settle any disputes arising from the making of a report, the remittance of the charges or the imposition of administrative penalties. Clause 15 would provide for the making of regulations and clause 16 would repeal the current Act the Airport Service Charge Act, Cap 74, and of course, we would have to amend the schedule, Mr. Speaker, which we have here with the \$60 or US\$23 to EC\$50 and US\$19. Mr. Speaker, I repeat amendment on clause 6:6 as I pointed out at the very beginning to be incorporated into the Bill as we are presenting it. So, it is the Bill as we presented it with that amendment which is before this Honourable 6:6. You noticed it is really a stylistic amendment.

Mr. Speaker, my Ministry and also the office of the Attorney General we had looked at other similar type legislations in other jurisdictions: St Kitts, in Barbados those are the ones which we looked at primarily and it follows basically what is here is what is done in those major tourism destinations. Mr. Speaker, I do not think

that anything which we have said here is controversial, it is a normal thing and I would expect that increasing from \$40 to \$50 there may be some comment but I think I have provided the justification of most reasonableness in all the circumstances. I am obliged.

**HONOURABLE MR. SPEAKER:** Okay, further debate. Honourable Leader of the Opposition.

**HONOURABLE ARNHIM EUSTACE:** Mr. Speaker, haven't heard the presentation by the Honourable Prime Minister in which he reduced or proposed a reduction in the charge from \$20 to \$10: the increase that is I think that he was moving in the right direction but he should have gone to zero [laughter] Mr. Speaker the most productive sectors in this country are under pressure..., oppose a reduction in the charge of \$20 to \$10 the increase that is. I think he was moving in the right direction, but he should have gone to zero.

I know you would say that [laughter].

Mr. Speaker, the most productive sectors in this country are under pressure, I refer to Agriculture, I refer to Tourism and I believe those particularly sectors are what would put us back on a good path with this economy. Mr. Speaker, the Prime Minister mentioned and is true and it included in the accountabilities for the Ministry of Tourism the year before last that the fall in the stay-over visitors regional is due to the high cost of travel within our region. We have had a situation where over the last few years, Mr. Speaker, more and more of the ticket cost are government taxes, at the same time the Prime Minister worked very hard to keep LIAT alive, it is not LIAT who would be charging those taxes is the Government of this region and in some cases it goes as high as 40 percent in the cost of the ticket and in their own accountabilities the year before the last that was pointed out as one of the major concerns of the Ministry of Tourism in relation to intraregional tourism.

Now that we are going to put the Airport Service Charge at \$50 albeit a \$10 increase, the fact remain it was increased. In a way I find us to be a very peculiar people sometimes you know. The Governments..., and I agreed with it, are fighting a battle to stop the British from increasing some taxes on us here because of our tourism. Right now we are fighting that battle. Prime Minister Anthony as Chairman of the OECS, just a few days ago wrote a letter to the British Prime Minister seeking from clemency, I going to put it that way, to avoid the importation of additional taxes for persons coming down to our area to spend their holidays, our tourism. At the same time we are doing that we are going ahead down here trying to increase ours. I do not follow it, I just do not follow it. I would assume that the impact of the increase coming from outside to be even greater than this, but we endorse it the same time and our trend over the last few years has been to increase..., the Government take..., the Prime Minister made reference to Barbados, want a large proportion of the cost of travel is now due to a Government tax.

I am not supporting any increase in any taxes on the productive sectors at this time, particularly in relation to tourism and agriculture. I do not think it strengthens our case as we go forward in our arguments against those who would wish to impose them from outside, because that in itself is going to have a negative effect when we are defeating our own arguments when it can be pointed out that over a time that is exactly what we are doing down here.

I remember you know year before the last I had some friends of mine who wanted to come to St. Vincent for Christmas, these are people I went to university with and they were trying to make up their minds whether to go

to North America or whether to come here. So they called me and say they are thinking about coming here for Christmas if I can arrange some accommodations for them, it was about six or seven of them. But when they looked at the cost of a ticket coming from St. Vincent they could have gone to Miami for \$100 more, so they went to Miami, so we lost six hotel bookings, six passengers and what I am saying we got to stop this trend.

Tourism is our biggest foreign exchange earner and it is likely to continue to be so for a very long time. Already we are in a position where the Governments are negotiating to have to buy new planes for LIAT and so forth, this is going to cost a lot of money also, but we are taking actions that can restrict others from interregional travel, it does not make sense to me, it does not make any sense to me. I am not supporting any increase in taxes which will impact on the tourism industry at this time. It is an area where efforts are being made to push the country forward and resume a growth path along with agriculture and we should be minimizing any tax intervention in those areas and therefore I will not support this Bill.

**HONOURABLE MR. SPEAKER:** Any further debate, Honourable Senator Frederick.

**HONOURABLE VYNNETTE FREDERICK:** Mr. Speaker, Honourable Members, I rise to add my voice to this debate on what I think is a very important piece of legislation to reject at this point in time. On that basis I wholeheartedly support the position of the Leader of the Opposition. The Honourable Prime Minister in making an argument for the increase of this tax from \$40 to \$50 to be added into the ticket so that you pay \$50 more for your ticket up front made what we can look at and see was a hard argument for him to make. His very body language suggested difficulty that he alluded to by and it is hard to ignore such a large body moving, hard to ignore it. very difficult when you take up all the space.

So you go from \$40 to \$60 to \$40 to \$50 because it is a hard pill to ask Vincentians to swallow and what is difficult is that this request for an increase in a tax is coming at a time when the reality of what it means to try to travel to and from St. Vincent and the Grenadines, the reality of trying to travel means looking for at least \$600 to \$800 extra dollars if you need to travel in the region and more if you do not get one of the LIAT specials. So it is really difficult argument to make as we saw and what is painful along with the fact that more tax increase of any kind ought to be proposed on Vincentians or import on Vincentians at this time. What is painful is that you are saying pay for it up front in the ticket in line with what happens all over the region. That is true, it happens elsewhere, but what happens to those persons who are exempt because they do not spend 24 hours in a particular country for which they are in transit. So they are in transit for less than 24 hours but they have paid up front for the ticket so that money as happens in Trinidad and Tobago often...

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, if my Honourable friend would give way.

**HONOURABLE VYNNETTE FREDERICK:** Sure.

**DR. THE HONOURABLE RALPH GONSALVES:** I think that my Honourable friend has a misunderstanding of what this is. If somebody buys a ticket from Barbados to go to Antigua and they have to pass through St. Vincent, when they pass through St. Vincent they do not have to pay any airport tax here unless they spend in excess of 24 hours in St. Vincent, which is the case now. So the point is this, it is not that they are paying it..., if you paid it in Barbados and you are coming to St. Vincent you are not paying the tax in Barbados to come to St. Vincent you know. You will pay Barbados departure tax to come through St. Vincent and going

to Antigua. I want to make that point very clear. So I think you miss the legislation in that regard. I just want to make that point absolutely clear.

**HONOURABLE VYNNETTE FREDERICK:** I understand the point you are making and I do not think that I have missed it, because I believe that Trinidad actually provides for the position that I am making and let me make the point that I am making.

If I am travelling out of St. Vincent and I go to the US and I do it via Trinidad and Tobago, but on my return I am not spending 24 hours in Trinidad and Tobago, I would have paid up front for all the taxes inclusive in that ticket that brings me from my home country back to my home country through these places. The point that I am making....,

**DR. THE HONOURABLE RALPH GONSALVES:** In Trinidad, it is Trinidad taxes.

**HONOURABLE VYNNETTE FREDERICK:** Hold on that is what I am saying. So I am saying, the point that I am making is this, in Trinidad they do not even tell you, but what you can do is get a print out of your ticket especially if you have bought it online, take it to the tax authority in Trinidad at the airport and you get refunded your \$100 which does not apply because you are in transit in Trinidad for less than 24 hours [interjection] right. Now I am saying [interjection] no but I am saying....,

**DR. THE HONOURABLE RALPH GONSALVES:** No, no, Trinidad as I understand it, Trinidad does not exempt you up front. Once you are coming through you pay it in Trinidad, but if you want it back, and you are under 24 hours you go there at the tax office and they will give you back. We are not doing that. We are saying you are exempted period unless you stay more than a day in the country, which is the usual thing anywhere in the world.

**HONOURABLE VYNNETTE FREDERICK:** I appreciate that clarification because that was one of my great, great fears where that particular cost is concerned, given the fact also that it is never really advertised how you could get back your money when you have to make these payments up front [interjection] I am gratified to know that as well as the tax ought not to apply here, the tax increase that is to say.

Now who travels in St. Vincent and the Grenadines, who travels out of this country and how do they afford to do it? That question ought not to be thought about under normal circumstances if the tickets were affordable, but because the cost of travel is so prohibitive we now have to pay attention to who travels how. Our traffickers who ply their trade weekly or fortnightly in other parts of the Caribbean, they will be saddled with an increase ticket cost as a consequence of this proposed increased through our departure tax. What about those persons who may have to leave for medical reasons and who basically cannot afford a ticket? What happens and I know this happens in all of the constituencies in St. Vincent and the Grenadines where there are people who have to travel who really cannot afford the cost of air travel. What they will do when there was the regular means of paying the departure tax is that they will focus on raising the money for the ticket that prohibitive \$600 to \$800 they would focus on getting that money and then nearer to the time when you actually have to travel they would try to raise that \$40.

Now the challenge would be to raise your ticket money plus your departure tax up front. And while this may seem like a non-argument or something that you can dismiss, we cannot dismiss it because it is a challenge for people to travel and to afford the cost of air travel today. It is a real challenge and you hear the agony and the anguish and we cannot exempt the Government from feeling the pain of what this additional imposition would mean to people who already find it difficult to afford air travel in St. Vincent and the Grenadines, Mr. Speaker.

If you purchase you have only a 24 hour window within which you can finalise that payment which would include now the extra \$50 what about people who are 75 years old and above, are they going to be exempt? The older people who travel most times for health issues, are they going to be automatically exempted from this additional cost, this new \$50 charge?

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, with respect, it is not a new \$50 charge, there is a \$10 increase, so it is a \$10 but it is not new \$50. Fifty dollars is not new, is \$10 new.

The \$10 additional dollars, Mr. Speaker, I am guided and corrected, the \$10 additional dollars which changes the \$40 charge to \$50 is that going to be imposed on persons over the age of 80 per say who have to travel? In the exemptions they are not named. So while I understand the fact that every conceivable means is being exploited to secure funding for the once free airport that we were supposed to be getting from the coalition of the willing while I understand that at this point in time, I believe it too harsh a tax..., to impose to harsh an increase to impose on the travelling public who are already at odds with the prohibitive cost of air travel and I therefore will not support this particular Airport Service Charge Bill. I am obliged, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Thank you. Any further debate Honourable Senator Lewis?

**DR. THE HONOURABLE LINTON LEWIS:** Mr. Speaker, I wish to support the Leader of the Opposition with his opposition on this departure tax. Mr. Speaker, I wish to come from two different prospective, from a domestic prospective, Mr. Speaker and then an external one in support of the Leader of the Opposition on his position.

Mr. Speaker, in St. Vincent and the Grenadines we are experiencing what you call a poverty trap and that is a situation where our people are unable to save because they have to spend a lot of the little that they have and because they are unable to save, then we do not have that extensive investment in the country. We also, Mr. Speaker, what you call a fiscal trap and that is if people are not spending as much then we do not have a very vibrant economy and when you do not have a very vibrant economy then the Government is unable to collect the taxes that they consider necessary to carry out their programmes and that is because the economy is very sluggish.

From that prospective Mr. Speaker imposing on our people another tax at this time may not be an advisable proposition. But I wish; also, Mr. Speaker, to turn to the external aspect of it and in so doing, Mr. Speaker, I wish to turn to page 12 of the 2012 budget Mr. Speaker and on page 12 of the budget the Prime Minister was attempting to show the socio-economic factors in St. Vincent that limit the development of the country and he says in paragraph 5 page 12,

“St. Vincent and the Grenadines domestic market or internal demand is quite limited and is thus dependent upon external source markets for trade in goods, and I underlined tourism and services generally”

The internal demand by itself is unable to produce a sufficiency of surplus resources to drive economic infrastructural or social development. I wish; also, Mr. Speaker to turn to page 33 of that very budget and page 33; this is what the Prime Minister had to say,

“The Ministry of Tourism including the St. Vincent and the Grenadines Tourism Authority and the other stakeholders in the Tourism Industry are well seized of the major issues and challenges of St. Vincent and the Grenadines Tourism Industry, including climate change and natural disasters, crime and violence including in the yachting sector, the pollution and destruction of part of our marine environment, limited air access and the high cost of air travel, the inclusion of the airline passenger tax in the cost of air travel from the United Kingdom, Europe which is the major market for St. Vincent and the Grenadines.”

So Mr. Speaker, those are recognition that the tax can have a negative impact on the tourism industry in St. Vincent and at this time Mr. Speaker, we have to look carefully at the two very important productive sectors to which the Leader of the Opposition refers, Agriculture and Tourism and we have to look at our performance in Tourism.

Mr. Speaker, if we look at the performance in 2005 this country made \$280.5 million, 2006, \$305.8 million; 2007, \$322 million; if you go to 2009, \$236 million; and 2010 \$234 million, so we have been reducing, Mr. Speaker.

**DR. THE HONOURABLE RALPH GONSALVES:** May I ask my Honourable friend one simple question? How does a tax, an extra \$10 tax in St. Vincent and the Grenadines for people going out of St. Vincent affect people coming in St. Vincent?

**DR. THE HONOURABLE LINTON LEWIS:** Well Mr. Speaker, what about if we have stay-over visitors, Mr. Speaker? People would be coming to St. Vincent and the Grenadines and staying for more than 24 hours, are not they also subject to the tax? They are subject to the tax and Mr. Speaker, [interjection] well Mr. Speaker, Mr. Speaker, what is happening is that we have already been complaining strongly about the lack of..., the reduction in the number of stay-over visitors in St. Vincent and the Grenadines in our tourism industry and this can be a very serious impediment, because Mr. Speaker, what we do not realise is that even though we say there is an increase of \$10 in taxes, we do not know if there are other taxes that are involved in purchasing a ticket that can compound the \$10 to make people pay more than they would have paid in the first place. So Mr. Speaker, say for example, for example, Mr. Speaker, a ticket overseas may cost \$100 but then there may be a tax on that ticket, so if we add that \$10 to the \$100 then a ticket will be taxed on \$110 as opposed to \$100 so it can compound the cost of a ticket, Mr. Speaker.

Mr. Speaker, I am saying that we have to be very careful. The other issue, Mr. Speaker, is this. Mr. Speaker, I know the Prime Minister saying about \$10 appearing to be minimal, but if we can recall in 2002 when the cruise ship per head was charged \$5 per person it created a stir, then when they increased the fees for yachts in

the Grenadines that created a stir as well and it affected the yachting sector. Even the \$1 Mr. Speaker, created some problems too for the people of St. Vincent and the Grenadines [interjection] no Mr. Prime Minister, I am not talking it as a joke, the fact is that when you charge \$5 per person per day in 2002, those who came to St. Vincent that created a problem for tourism. The same thing happened when the fees for yachtsmen increased in St. Vincent that also created a stir and affected our tourism industry.

Now we are saying that even though it is just \$10 at this time, why is it so necessary at this time for us to increase our departure tax by \$10? I have not heard from the Prime Minister why it is so necessary to impose another burden, financial burden on the people of St. Vincent and the Grenadines [applause].

Mr. Speaker, I to this date Mr. Speaker, I wish to refer in closing to Ecclesiastes Chapter 3, to everything there is a season and a time to every purpose under heaven [interjection] well I am going to quote verse 6 now, a time to get and a time to lose, a time to keep and a time to cast away...

**DR. THE HONOURABLE RALPH GONSALVES:** You lost three times already.

**DR. THE HONOURABLE LINTON LEWIS:** But Mr. Speaker, but I never lost my deposit.

**HONOURABLE MR. SPEAKER:** Striking of the gavel.

**DR. THE HONOURABLE LINTON LEWIS:** Now..., I that is it I get five or ten votes now...,

**HONOURABLE MR. SPEAKER:** Honourable Members, just a minute.

**DR. THE HONOURABLE LINTON LEWIS:** Yes please, Mr. Speaker, Mr. Speaker,

**DR. THE HONOURABLE RALPH GONSALVES:** You talking..., Linton.

**HONOURABLE MR. SPEAKER:** Striking of the gavel. Honourable Prime Minister, the Honourable Member is referred to as the Honourable.

**DR. THE HONOURABLE RALPH GONSALVES:** Sorry to refer to him as Linton, Mr. Speaker, and I take that back.

**DR. THE HONOURABLE LINTON LEWIS:** And Mr. Speaker...,

**DR. THE HONOURABLE RALPH GONSALVES:** The Honourable Doctor Lewis, Mr. Speaker.

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

**DR. THE HONOURABLE LINTON LEWIS:** And Mr. Speaker, I could understand, Mr. Speaker that the Prime Minister is very mantle of the number of times I lost, because he lost that same very number of times as well. So let us move on Mr. Speaker. Now the issue is this, Mr. Speaker [interjection]

**HONOURABLE MR. SPEAKER:** Striking of the gavel [laughter]. Honourable Members, let the Member continue or climax whatever.

**DR. THE HONOURABLE LINTON LEWIS:** Mr. Speaker, it is a time for us to be very mindful of the problems that our people suffering. I do not think, Mr. Speaker, that this is a time for us to impose any additional burden on the people of St. Vincent and the Grenadines and I do not think it is proper at this time to hinder the development of our tourism sector by this extra \$10. Mr. Speaker, I do not support the measure.

**HONOURABLE MR. SPEAKER:** Thank you very much. Honourable Member for the Northern Grenadines.

**DR. THE HONOURABLE GODWIN FRIDAY:** Mr. Speaker, I rise to make a brief contribution to the debate on this Bill, because I want it to be recorded in this Honourable House, Mr. Speaker, that on the day when this Government sought to add to the pressure and pain that the people of this country are feeling at the present time that I did not sit here idly by and allow them to do it without opposition. Because, Mr. Speaker, we all know the times that we are in. I do not know what the Prime Minister has been hearing, or what universe he exists in, but everywhere you go in this country Mr. Speaker, people are telling you that is pressure, pressure and more pressure and the Prime Minister says that he understands the people and the people would welcome this increase in taxes.

Well that might be a first in history. I know people take taxes like they take medicine. They do it if it is necessary, but they do not do it as a matter of pleasure and enjoyment and I tell you, Mr. Speaker, I have spoken to people about this Bill and the impending Property Tax Bill that is supposed to come and they tell you with great fear, some with anger that the Government should not be increasing taxes on them. I talked with some people right here in Kingstown in the street last week [interjection] more than you obviously because you have no influence with the leader when it comes to increasing taxes and when I told them about the tax, they say they know about it and you know what the person said to me? She say, “Friday all yo have to oppose that, you have to stop it because the people in this country are feeling too much pressure and they cannot take any more and they say, a 50 percent increase that is unconscionable, because the people in this country are feeling too much pressure and they cannot take anymore and they say a 50 percent increase that is unconscionable.” The Prime Minister admitted that today because he now reduced it to 25 percent increase.

But the point is this, he did it because he acknowledged that it would have a negative impact on our travel between countries in the Caribbean, he acknowledged that. So then why increase it at all? You know, Mr. Speaker, sometimes people can drown in a bucket of water, well maybe a pail, or you can drown in the ocean, whether you reduce it to two feet of water or six feet of water, you are still drowning and the people in this country are drowning under these taxes and the weight of economic despair that they have been feeling for the past several years in this country. To bring more taxes on them at this time is unconscionable. The state has two unique functions that ordinary people do not have. One is impose taxes and the other is to have the force, the machinery to collect it, a monopoly and force, the use of force. That does not mean, Mr. Speaker, that it is a licence to go out and take money from people simply when the Government feels the pinch. Everybody is feeling the pinch.

At a time like this you should not be taking more money out of people’s pockets. Whether you think that people are privileged because they are traveling and they have to pay an extra \$10 or \$20 or whatever, it is not the time to be doing this. The Leader of the Opposition made a great point and the Honourable Senator Lewis that we cannot send a message that we are going to take more money out of people’s pockets and then tell the

countries overseas because they are rich and powerful that they must not do the same. They should allow other people to come here so that we could fleece them. Mr. Speaker, this is not the time to do it. It is a wrong time to do it.

Yesterday I was watching television quite amusingly and I will argue here by analogy, you know the old story where they say, it is a final straw that breaks the camel's back. When you think you are increasing by \$10 or \$1 and it ain't make no difference, what you have to look at is at the accumulated weight that is already there and the pressure that it brings to bear on people and we have reached the breaking point in this country I think, Mr. Speaker. I see it in my own constituency where people are so resilient and they are able to cope with all kinds of hardship, now, Mr. Speaker, they are verging at the point of despair because they do not know where to turn and all the answer is here, and this Government, is to increase more taxes.

To go back to the analogy, Mr. Speaker, I saw this story where this person, the announcer was saying, he did not know you could split a water melon using rubber bands and I thought this was an interesting proposition. But then you have these two idle gentlemen sitting on a table putting rubber bands one at a time around a water melon, eventually they put one last rubber band to the bunch that was there and the water melon exploded. One rubber band you would say cannot burst a water melon, but it did it [interjection] one more, that is it, it is the accumulative weight of all the pressure that is already there and that is already here in this country and we cannot Mr. Speaker, use the monopoly that this Government, the state has to impose taxes and the power to collect it, and I see all the stringent measures and the meticulous wording of how they are going to collect it and how they are going to enforce it and how they are going to get it from the people who are supposed to do it and when they do not do it, how much fines they are going to impose and things like that. The state can do that, the point is, Mr. Speaker, is whether it should do it and the need for funds is not the only reason, Mr. Speaker, or the only factor to be considered when to impose taxes on the citizenry. We have to look at what they are feeling.

Right now is not the time. Whether it is \$20 or \$10 it is too much. We are sending the wrong message. What we are saying is that we are out here catching hell and the Government will just go along its merry way and take what it needs to survive. Well we need to survive too that is what people are saying to us.

**HONOURABLE MR. SPEAKER:** Honourable Member, I just a minute. I noticed and I must address it, because I do not think the term in which the word..., I noticed it being introduced here by a number of Members, the term "hell", "catching hell", is rarely a proper parliamentary word and I have to say this, because I noticed one Member in the last Meeting used it several times.

**DR. THE HONOURABLE GODWIN FRIDAY:** Well I apologise.

**HONOURABLE MR. SPEAKER:** And then it was used here again. It is not a proper parliamentary word in the sense that it is being used. Thank you.

**DR. THE HONOURABLE GODWIN FRIDAY:** Okay, well I apologise, Mr. Speaker, to say that the people are catching hell and to paraphrase, they are meeting it very, very, very difficult, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Thank you very much, thank you very much.

**DR. THE HONOURABLE GODWIN FRIDAY:** And the circumstances will not be improved by adding more taxes to them. They know what language they use to me outside, Mr. Speaker and I am sure they use it to all the Members here and they are very familiar with the terms that are not appropriate for this Honourable House.

So Mr. Speaker, we all know what we are talking about. Whatever language we use, however we sugarcoat it, the effect is the same. It is an imputation of tax on people, it is taking money out of peoples pocket and putting it in the Government's pocket for no good reason. When they did it at the time that they increased the taxes as the Honourable Senator Lewis mentioned on the yachts, we opposed it, because we said that this is the time you know in 2001 when the yachting industry was declining, why are you going to take more money out of the yachting industry and put it in the Government's pocket. We have seen for six straight years if not more, there was a decline in the visitors' arrivals for yachting. All the services that used to be provided, the businesses that use to provide services for yachts, many of them picked up and went to Grenada. Yachts started by-passing here. Then you have all the problems, Mr. Speaker, with lack of security. You are taking money from people and you are not giving the service in return. Lack of security in the water.

Just a week and a half ago you know, somebody was shot in the leg on a boat in the harbour in Bequia. The day after that another boat was robbed, and the person was captured on the Admiral coming up to St. Vincent by the police. Thank God they were alert to do that. People are seeing all this, Mr. Speaker, it is all in the context. You take money; you provide service that is what taxes is supposed to do. If you do not do that otherwise, do not take people's money.

In this particular time, Mr. Speaker, it is a bad time to increase any taxes on the part of Government. We should be giving relief to people, whether it is an airport tax or any kind of tax, Mr. Speaker. This is what our constituents want us to address to this Honourable House and the message to send to this Government, Mr. Speaker. We are in difficult times. Act as if you recognise that. Thank you.

**HONOURABLE MR. SPEAKER:** Honourable Member for Central Kingstown.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Thank you very much, Mr. Speaker. Mr. Speaker, the Honourable Prime Minister in his folkloric style presented this Bill and admit it to being uneasy and agonising and I believe if he had spoken a little longer, he may have added without conviction, because clearly that did not come across to me that he was serious in his preposition.

In fact, I have a conclusion before he got to this Honourable House today he had began to get the feedback from the general public that as the Honourable Member for the Northern Grenadines said, this is absolutely not the time to bring this measure to this Honourable House.

On this Order Paper, Mr. Speaker, there are two fiscal measures that are being proposed. This one the Airport Service Charge and the other the Property Tax which has been deferred. Together, Mr. Speaker, they sent a message of the Government or of an administration in search of more funds to run the ship of state. Mr. Speaker, it was only last week in this Honourable House in response to the question from the Honourable Leader of the Opposition with respect to the three percent increase, for Public Servants due now since 2010 I believe [interjection] 2011? [Interjection] 2011 two years, he admitted the inability of the Government to do so

at this time. He could not meet the Public Sectors legitimate request and he reechoed earlier budget sentiment for Public Sector restraint. To come in a week after, Mr. Speaker, of appealing to the Public Servants to hold their hands on their 3 percent and to ask for a \$10 increase of the same people who may have to travel in air tax, it is almost like the biblical story of the master who pardoned the worker and as soon as he got out he hold the neck of another one who owed him and squeeze the life out of him to pay him what he had owed him. It may be a stretch but it is a reality, Mr. Speaker.

Mr. Speaker, this is not a standalone measure, because we have been warned shortly after the Select Committee meets we can anticipate that the Property Tax as identified in the IMF Report, as identified in the Prime Minister's Budget Address would come back to this Honourable House and impose additional burden on the people of St. Vincent and the Grenadines. Mr. Speaker, things are very hard. It is tough, it is rough, it is tight out there that is the message that has been echoed over and over again. I will make a slight diversion, Mr. Speaker, a very slight diversion.

When this administration came into office 10, 11, 12 years ago the surcharge of fuel was 16 cents, just a little bit above that, today is it 52 cents, an additional 36 cents per unit. To use the very examples the Prime Minister quote in this House for a 200 unit consumer, they are paying an additional 36 cents on ever unit or \$72 per month more or \$864 per year just for additional electricity. The word tax may not be used, but the effect is exactly the same. It is a silent killer. In fact, this partly influenced the Prime Minister to describe a new category of Vincentians, the genteel poor, those like us..., I hope I can escape that, who may have our homes who could hardly cut our lawns that is how he describes it [interjection] the BAICO/CLICO, well there are more BAICO/CLICO people than you think [laughter] [interjection] that is all right. But you admitted that there is a new category of people, the genteel poor, reeling under the pressure of the scarcity of money.

The Honourable Senator Vynnette Frederick asked an important question. Who are the people who travel and she identified one category of those people being vendors, some of them weekly, some fortnightly, some monthly, so it may be an additional \$10, \$20, \$30 or \$40 per month for them, traffickers, but it is an upfront cost. Then there is the other category of people, Mr. Speaker, a lot of them come from that over 2000 that the Honourable Minister of Education spoke about last week who will not get jobs and they have to be flown out of St. Vincent to meet relatives, guardians, friends abroad to seek a different pasture, to seek different hope, to seek different aspirations. Mr. Speaker, there is no doubt, and it is admitted there in the Budget Address of the Prime Minister that coming to St. Vincent and the Grenadines is already riddled with so much hassle and inconvenience, page 52 of his Address, and considerable expense and to the extent that he himself has identified this considerable expense and hassle and inconvenience and high cost of travel, all of his words of getting to St. Vincent.

I am amazed of the insensitivity to come at this time with a measure that does exactly that, it does exacerbate that considerable expense. But Mr. Speaker, the extent to which he comes over have been irrational, I may daresay, even illogical or unreasonable in presenting the argument at this time provokes another question. Because I do not believe in all honesty and sincerity he deliberately want to expose his flanks in this way and so I search for another justification for the \$10 it was \$20 up to earlier this morning, it is now \$10 increase. Why this extra income, Mr. Speaker? He has written and he has spoken at length about the Argyle Airport Investment and I think other Members on the other side of the House know that when it comes to the Argyle

Airport, I support it; I support the airport [interjection] there is no water in the mouth. We all do, in fact, if the NDP or when the NDP comes into office three years from now, according to your argument it may meet the airport completed and decide how we will sustain it. If we came to Government within the next 18 months there may meet it 80 percent, 90 percent concluded or we would have to decide how we continue with that exercise.

The point is Mr. Speaker, what you have not said to us today on the day of Emancipation is that in your writing that said Argyle Airport should have been completed June of 2012 that is the original date you know, you would like us to forget that. So you are into overtime.

**DR. THE HONOURABLE RALPH GONSALVES:** Well hang me, I ain't do it, nobody did it for 50 years [laughter].

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Sperie who did most of the hard work has moved on [interjection] well you could bring back Sperie. Mr. Speaker, the point is you are trying to come through the back door to address a debate which you have not only lost, but you have failed to account to our people. It is on record that you inform this nation that you and the coalition of the willing...

**DR. THE HONOURABLE RALPH GONSALVES:** I won the election in 2010 you know.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** You and the coalition of the willing will deliver on the airport at the end of which there will be no debt.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Mr. Speaker, it is one thing for the Honourable friend,

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Honourable Member.

**DR. THE HONOURABLE RALPH GONSALVES:** Honourable friend, Honourable Member, I can call you Honourable friend [laughter] if you do not want to accept friend, reject it.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** The way you treat me it is difficult to define the friendship [laughter].

**DR. THE HONOURABLE RALPH GONSALVES:** You see, Mr. Speaker, Mr. Speaker, Mr. Speaker, if I oppose something which he says and this is the classic case of an authoritarian personality, if you oppose something that somebody said that mean you do not like them? Mr. Speaker, I have never said here or anywhere else that we will deliver an airport debt free. Never ever said so and for anybody to have said that, do not point, Julian Francis, never said that either [laughter] the Honourable Minister never said that...

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Oh my goodness.

**DR. THE HONOURABLE RALPH GONSALVES:** I am telling you that.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Mr. Speaker, you must have heard this over and over again and you must be sitting there in amazement.

**HONOURABLE JULIAN FRANCIS:** Mr. Speaker may I.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Sure.

**HONOURABLE JULIAN FRANCIS:** Mr. Speaker, I have heard this thing repeated. You know you tell a lie and then a lie grows fingers and then it grows arms and then it grows legs, I stated in this Honourable House, Mr. Speaker, that at the end of the project, after 62 acres of lands have been sold at Arnos Vale we will be able to reduce our interim financing to almost zero. That is what I said you know, but it grew legs, it grew wings, it grew toes, it grew everything under the sun, Mr. Speaker. I have asked this House and I have challenged the Clerk and the Staff to produce the Hansard, but I cannot specifically remember the debate in which I made it. I believe it was in a budget debate and I have asked them on numerous occasions to bring it forth, because I know that it is something that you have built and it suits your purpose and you continue to spread it, but it is not that that I said.

**DR. THE HONOURABLE GODWIN FRIDAY:** No man, you said it.

**HONOURABLE JULIAN FRANCIS:** Well I know, but it will come, you know. The Clerk of the House will find the Hansard, because I am making an official request on the microphone today to the Clerk of the House to bring,

**DR. THE HONOURABLE GODWIN FRIDAY:** No, it is on the radio, it is on the radio.

**HONOURABLE JULIAN FRANCIS:** not radio, I want the Hansard, bring the Hansard.

**HONOURABLE MR. SPEAKER:** All right, Honourable Members, this is not an issue for me to rule on. We do not have the information before us now, whether you know that we can dispute one way or the other, I am, therefore, asking the Member please to move on with his debate and let us get out [interjection] all of us hungry.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Honourable Mr Speaker, are you going to invite the provision of tape recordings for the veracity of my statement, because my integrity is of importance in this House you know and it has been happening once, twice, three times, to many in this House, Mr. Speaker. The public is aware of it, but I am not going to prolong that debate, but I am just inviting you [interjection] and if you want me to do it privately, I will do that, if you want me to do it in the House I will do that for you.

**HONOURABLE MR. SPEAKER:** But the Member has already asked the Clerk to produce the information, so I guess that might be sufficient information.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Can I assist him, Mr. Speaker?

**HONOURABLE MR. SPEAKER:** Yes, I am sure he will be happy.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** We will assist him, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Let us move on with the debate?

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I was making the point, Mr. Speaker that there has been a presentation that the Argyle Airport would be built without any debt, any contribution to our national debt. In fact Mr. Speaker, for quite some time there was an attempt to keep the Argyle Airport off the Books, off and outside the oversight of this Parliament of St. Vincent and the Grenadines, until they were forced to bring it here when they could not find the monies. Well your coalition become very unwilling and subsequently from when we were hoping the returns of monies and you carry me where I did not want to go from Venezuela, we discover we had to pay three hundred and nearly sixty thousand per month to feed people, burst the supermarket up street [interjection] fixture world and ultimately you have to go the way of loans.

**HONOURABLE MR. SPEAKER:** Striking of gavel, could you please stick to the thing.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** We had to go the way of loans, because it is fundamental to this tax coming here Mr. Speaker.

**HONOURABLE MR. SPEAKER:** No, I do not agree.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** You do not agree with what Mr. Speaker?

**HONOURABLE MR. SPEAKER:** That the way you are going off, the tangent as it were, or in a tangent is not fundamental to this debate.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Mr. Speaker, I am well within my rights in the way I am presenting my argument. Whether you agree or disagree with me and your tangent that is your opinion. I am stating factually here...,

**HONOURABLE MR. SPEAKER:** It is not my opinion, Honourable Member.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** What is not your opinion?

**HONOURABLE MR. SPEAKER:** It is not my opinion what I say, a Member is supposed to address the issue and whatever he says has to be germane to this thing.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Let me back up and address you directly, because you need to understand...,

**HONOURABLE MR. SPEAKER:** And be careful, be careful what you say.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I am extremely careful when I am dealing with you, Mr. Speaker, extremely careful and for good reasons.

**HONOURABLE MR. SPEAKER:** Good.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I am making a preposition here, here is a measure coming before this House the Airport Service Charges, the Prime Minister did himself directly suggested that it may be a measure that could be of assistance to the Argyle International Airport. In fact, I stood and asked for clarification on that, I am saying that to the extent that this nation state of ours have recklessly embarked on a

project for which there were insufficient financial measures, we are today cash trapped to complete it and it is obvious that sooner rather than later the taxpayers of this country will have to bail the Government of the dilemma and that this measure speaks to that question that is my argument.

**HONOURABLE MR. SPEAKER:** Continue, continue your argument.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** That is my argument and he need not be slipping it through the back doors, he would be better off if he became a contrite and said to us..., because this has been my argument you know, I would have no problems with respect to the International Airport if we as a people came and said, “Look, you see this thing, it is good for us”, we cannot justify it on an account here of financial basis, it cannot go before reputable financial institutions, but we are going to find some ingenuity, so I am asking you the people of St. Vincent and the Grenadines, band your belly, you are going to have to go with little bumpy road for a little longer, you are going to have to do a little bit of Glyburide and treatment of the hospital to take you off (you use Glyburide? I see you smiling) you would have to do without that, your schools will be a little bit short with benches but it will be a good long term solution. I could live with that [interjection] so the people would have used the Metformin, thank you for your clarification. So the nation would have understood that, but we were supposed to be having this great Leviathan with this magic weight over us, abracadabra Airport cabatabam, flight landing down, that is not what is happening. The fact of the matter is that the nation’s state is paying a price for the Argyle Airport. People are dying because of that Argyle Airport. We cannot get medication because resources of the state that should be spent where they should be spent has to be siphoned out for other activities [interjection] well that is your opinion.

**DR. THE HONOURABLE RALPH GONSALVES:** But I answered that on...,

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Well you will respond and you will clarify that and I was taking the easy way out with you today and I am trying to suggest, Mr. Speaker, all the evidence is that this is not the end game, it is not the end game you know, because we also had last week in Ministerial Statements the subject of LIAT’s Fleet renewal and it was presented last week again as if we had just get some great solutions placed at our disposal. I asked some important questions you know. I asked what was the pay back on the project, I was given that it would be five years which cannot happen, it cannot happen. I asked for the internal rate of return that could not be provided, I asked for NPV (Net Present Value) that was not provided, because fools may be talking to fools but not listening. This is a US\$54 million investment for LIAT Fleet Investment renewal.

**HONOURABLE MR. SPEAKER:** Just a minute. I do not understand the term fool talking fool. You said you asked questions to get answers, fool talking fool not listening. What does that really mean?

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** It is a metaphor.

**HONOURABLE MR. SPEAKER:** No well I [laughter] rather Honourable Member that you just leave out those kinds of metaphor.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I have left out the metaphor.

**HONOURABLE MR. SPEAKER:** Because they are insulting.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I have left out the metaphor, I have left out the metaphor.

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

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I have left out the metaphor. No name, no warrant that is acceptable?

**HONOURABLE MR. SPEAKER:** All right. It seems like you do not like to have your lunch.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** No I will like to have my lunch, Mr. Speaker, like you are hungry, but if we have to go through it, we have to go through it. The fact of the matter is in 2010 you know, Mr. Speaker, 2010..., maybe I should have make the presentation that I wanted to do originally you know and we would be better off. In 2010 page 31 of the Prime Minister's presentation, paragraph 3, he say, "it is against this background that the ULP administration had seen it fit to make the sustained viability of LIAT a strategic priority." Without the vision and broad appreciation of the wider economic and social context within which we operate, many will have great difficulty understanding our strategic focus for those who are not seized of the technicalities, one only has to consider the nightmares if we were to do otherwise. Is LIAT now viable? Has it ever been? Will it ever be? Whenever this country joins with whoever it must, and I agreed with the Leader of the Opposition, that all who are enjoying the benefits of LIAT should put money into LIAT, not St. Vincent and Antigua and Barbados alone, everybody should be on board with that exercise and even then I do not even know who would achieve viability, but the US\$54 million that was borrowed would have to be paid back. It is not going to be paid out of PM Gonsalves' pocket. With or without three D it is not going to be paid back by anyone of us inside of this House's pocket. LIAT will have to be tax financed and therefore in addition to the possibility that the additional \$10 increment may be for the Argyle Airport, it is within my right to also presume that some of it might be beginning to build a little nest egg for our contribution to the fleet renewal of LIAT. Now I am simply saying, if that possibility really exists then again come clean to us. Mr. Speaker...,

**HONOURABLE FREDERICK STEPHENSON:** Poor people want the airport.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** All kind of people want the airport, poor people, rich people, all kinds of people want the airport that is not the point. The point, Mr. Speaker, is that the society, the country at this time is at a difficult crossroads. Some people simply cannot make ends meet and my genuine fear, Mr. Speaker, is that we are going to see a rising and escalating cost on the average Vincentian to survive in these challenging times. I am doing some work and I will present it when I complete it. The dollar that used to be had by many people who before now did not pay any taxes went down to 85 cents with the addition of VAT you know, so your dollar is now worth 85 cents. The additional 5 cents or so that has been added on as the consequence of the surcharge maybe a dollar has moved down now to about 80 cents.

You may say the increases in Water Authority is negligible, it is neither here nor there. You may want to look at the cost of living and you may say that is another 2 or 3 percent, but we are not a long way off where the dollar...,

**HONOURABLE JULIAN FRANCIS:** I believe the Honourable Member is misleading this House not because a 15 percent VAT was imposed that your dollar is reduced from a dollar to 85 cents, because the VAT replaced taxes at the Port that were in place before. Thank you, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Honourable Member, kindly continue the debate.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Mr. Speaker, I was simply making the point that before VAT there were a number of people who could reasonably have argued that they are not taxpayers. Now that they must all be subjected to tax, every [interjection] Vincentian is a taxpayer. I am here, Mr. Speaker, presenting the point, Mr. Speaker, which obviously is getting under some peoples skin [interjection] is getting under some peoples skin...,

**HONOURABLE MR. SPEAKER:** Striking of the gavel.

**DR. THE HONOURABLE RALPH GONSALVES:** Ignorance is all evil.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** You are the father of ignorance.

**HONOURABLE MR. SPEAKER:** Striking of the gavel.

**DR. THE HONOURABLE RALPH GONSALVES:** Ignorance is...,

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** You are the father of ignorance.

**HONOURABLE MR. SPEAKER:** Honourable Members, please let us respect this Honourable House.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** And therefore may I sit so that you could address the House, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** No, I want you to finish, continue until you are finished [laughter] what I mean you have 45 minutes go on and do it.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Thanks, I am glad you correct that, Mr. Speaker [laughter].

**HONOURABLE MR. SPEAKER:** Continue the debate.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I am making the point, Mr. Speaker, which I know is representative of the views of many people out there that they cannot make ends meet. This is an end of month...,

**HONOURABLE MR. SPEAKER:** All right, you said that several times.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** And I will say it as often as I can say it until you rule otherwise.

**HONOURABLE MR. SPEAKER:** You cannot say it...,

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Mr. Speaker, give me a chance nah.

**HONOURABLE MR. SPEAKER:** Do not tell me give you a chance.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Let me make my presentation please nah.

**HONOURABLE MR. SPEAKER:** You cannot be repeating yourself.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I am not repeating myself, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** But you said that...,

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I am getting under their skin.

**DR. THE HONOURABLE RALPH GONSALVES:** Under which skin, you? [Laughter] you?

**HONOURABLE MR. SPEAKER:** Let us go on, let us move on, striking of the gavel. Let us move on, Honourable Member. Please try and avoid the tedious repetition that is all I am saying to you.

Mr. Speaker, this is an end of month, there are a lot of people who will juggle between the payment of their light bill [interjection] all of us, the water bill, the phone bill, the cable bill, the rent bill, the food bill, the transportation bill because things are just that hard and that is the reality. So any imposition of any kind of tax is a further hardship which they cannot bear. Over and beyond that, Mr. Speaker, we have to ask ourselves, what is the general signal that is being sent to us at this time by way of these contemplated tax measures, namely the Airport Service Charge, the proposed Property Tax and the anticipated LIAT Fleet Renewal Measure that will come? [Interjection] I said anticipated, what is behind that Mr. Speaker? What are these signal that are being sent? Mr. Speaker, the signal that is being sent is that we are getting..., the water is coming over our head in our blessed St. Vincent and the Grenadines.

In the budget you know, Mr. Speaker, there was a proposal for \$184 million Capital Programme that would create jobs for the people of St. Vincent and the Grenadines. The joblessness now that prevails is alarming. Mr. Speaker, in the Budget from the Governor General's Throne Speech to the pronouncements of the Prime Minister himself, we should at this time in the eight month of the year approaches, been in an advanced stage of job creation. We should have been at a stage where according to the propositions; we would have had heavy infrastructural investments taking place in this country. Alas, Mr. Speaker, we were here last week to discover that we cannot even complete a \$30,000 piece of road. Every single question asked on road improvements was answered, but if the Prime Minister provides the resources. The conclusion have to be is that the Government is broken and that is the realisation that they do not want to admit to.

The Capital Expenditure of \$40 million is a long way to what has been proposed, that is the context in which I said and I am not directing it to the Prime Minister, fool a talk but not fool a listen, that is the context, Mr. Speaker and I am saying, Mr. Speaker, that I cannot in all honesty support this measure that has come here before this House. I am saying, Mr. Speaker, that the Prime Minister should think carefully because we are already in a situation in which we are not competitive.

The carnival that just went by, we did not see the Trinidadians, Lucians and the Bajans on the streets, that is normally what I would have seen. I understand that only last week our participation in the Windward Island Sports, we ourselves could not have afford (and you can correct me if I am wrong) to fly them out through St. Vincent and the Grenadines. They went to Grenada is it, by boat. Well I used to do that 30 years ago when I was in the Cadets [interjection] I did not say anything was wrong with it, but we are cutting and contriving. But it is our own admission that we ourselves cannot pay the airfares.

Mr. Speaker, [interjection] Mr. Speaker, we can joke around with these issues, but there is a reality and empiricism about this all, St. Vincent and the Grenadines has to be able to turn itself around to put ourselves on a growth path and take the Government off the backs of the people of St. Vincent and the Grenadines. I am much obliged, Mr. Speaker.

**HONOURABLE MR. SPEAKER:** Any further debate on this Bill, Honourable Member for South Central Windward.

**HONOURABLE SABOTO CAESAR:** Thank you very much, Mr. Speaker. Mr. Speaker, I sat and I listened quite attentively to the arguments coming from the other side of the House and I must say in my calmness I deliberated and I concluded that the Opposition is taking the passage of this Bill purely for their political advancement and not to focus on the more germane issues which ought to be focused on. I basically followed every argument carefully, but at the end of the day the question would be asked, and the question is always asked when the issues of taxes arise. The first question which must be asked which was not addressed in any direct way by the Opposition, is whether or not the increase is justifiable and any person listening carefully to the debates and following what is taking place internationally, Greece, Portugal, Italy, what is happening in the EU, United States of America, what is happening in the region, in the sub-region, the CLICO/BAICO fiasco, we all know that we are in challenging times, not only in St. Vincent and the Grenadines, but internationally and regionally. So I just want to lay that as the basis and the general environment within which a discussion on this Bill should be positive. I am certain that people listening to this debate in Tortola, where I have a lot of family members, they understand and are appreciating exactly what the global financial crisis is doing, not only to Tortola, but to the entire British Virgin Islands.

Mr. Speaker, I am quite certain that if we are fair in our analysis that the increase of less than US\$3.75 as I calculated it is justifiable, but when you are analysing whether or not a Bill should be passed to increase a tax and you have gotten past the hurdle of saying that it is justifiable, the next question is whether or not it is excessive or reasonable.

The Honourable Member for North Central Windward and Prime Minister noted clearly in his address that the sum of \$20 appeared a bit excessive, justifiable, but excessive, but the sum of \$10 is justifiable and reasonable and I am certain that when we do a comparative analysis of airport taxes throughout the Caribbean that St. Vincent and the Grenadines it has been proven is way, way, way on the bottom of the calculative ladder, the cheapest.

When you go to St. Kitts, sometimes you get these receipts and because it is not something you have to go and collect you place it in your passport, but once as Minister of Tourism coming from St. Kitts I sat and it was very

revealing, environmental levy tax, airport tax, development fund tax, and let us not look at this increase in isolation of what is happening to our brothers and sisters in neighbouring islands.

The Opposition has made a claim that the increase of US\$3.75 would act significantly as almost a sort of deterrent for persons want to come to our blessed isles. I do not think that the Opposition has gone to the extent to justify and substantiate this argument and this is one which was made only for argument sake.

Mr. Speaker, on the issue of the traffickers, the traffickers are listening to us, another argument for argument sake. Ask a trafficker whether or not they would be willing to pay US\$3.75 more, yes we know they go to Trinidad and Tobago four times per month, but they also understand and appreciate that they have a patriotic duty to assist to build to contribute to the building of this country [applause]. So when you are placing traffickers, when you are speaking for the traffickers, you have to be very careful, because the traffickers who I know would not want to be cast in a mould where they are seen as the cheapest of the cheap with US\$3.75 as a contribution for the development of their country that they do not want to make it.

Mr. Speaker, we are living in global times which are challenging and the Members on the other side who spoke understand clearly the importance of creating and improving the revenue earning capacity of the productive sectors and in this case, we can streamline it to Tourism and pinpoint it on the need to increase the revenue earning capacity of the airport. But the general question which should be asked outside of whether or not it is justifiable, which I noted that it is justifiable, it is not excessive, it is reasonable. When you look around this country and you see the quality of development which has taken place under this administration, I am certain that if the population is asked the question as to whether or not they are willing to assist this Government and the country, the state with US\$3.75 every time they leave the E. T. Joshua Airport to continue the development and the development path and trajectory that we are on that they will say yes [applause]. Mr. Speaker, I am obliged.

**HONOURABLE MR. SPEAKER:** Honourable Member, any further debate, Honourable Member for North Leeward.

**HONOURABLE ROLAND MATTHEWS:** Thank you very much, Mr. Speaker. Mr. Speaker, I could not just sit and did not make my contribution to this Bill, because Mr. Speaker, like the other Members on this side of this Honourable House, I too wish to say that an increase in tax at this time is a burden to Vincentians, especially the economic times that we are going through. I sat and I listened to the Honourable Minister of Agriculture and he talked about challenging times, and global financial crisis and so on and so forth, but the point is [interjection] so is the tax, but Mr. Speaker, the global financial crisis that we are going through, it is because we do not have money, most countries of the world are experiencing a money problem, but we in St. Vincent and the Grenadines at certain times when it suits us, we like to say about global economic conditions, how it is affecting us and we cannot do this and we cannot do that, but when we are imposing a tax on the people of this country, we are not looking in that way. But what I am saying Mr. Speaker, the same conditions, the global economic conditions that you talked about so much which will take that into consideration when you are imposing taxes on our people.

When the Prime Minister got up to deal with this matter, I thought he was going to say that he is not going to increase the tax anymore, because the impression that we got is that someone spoke to you, or something happened to you when you decided to change it from \$20 to \$10 that same thing should have inspired you to put it to zero dollars, because you have demonstrated that things are so that an increase at this time is not acceptable.

Mr. Speaker, our Members on this side, some of us spoke before, talked about the fact that the Government is unable to pay the 3 percent owing to the Public Service at this point in time, because of what? Financial Problems. It would have been very good that when the announcement is made and the 3 percent is to be paid that we announce the increase at this time too for the Airport Service Tax of \$10 that would have been good to do, but the fact is that we cannot even under the commitment that we made in this Parliament to pay an increase in salary, but we want to come back as my colleague said a while ago, and impose a service tax on our people.

We know for a fact that t\$10 is a small price to pay as alluded to by the Minister of Agriculture for national development, if we could pay it. It might be a small price, but we cannot pay it, some of us cannot pay it. It is difficult to do in this time and yet even though we recognise that Government must need taxes to do its businesses, but we have to recognise as well that our people are experiencing difficulties and we must be very mindful when we want to increase taxes on them, we have to be mindful of that.

Many of us are from constituencies; we represent constituencies where at this time parents are coming to us, asking us for support in terms of helping them with their children. So when we talk about US\$3.75 as if it is nothing, it is something for those persons who does not have it, it is something indeed and quite a number of people in this country do not have US\$3.75 they do not have it you know [interjection] so they cannot travel, you are right about that they cannot travel.

Mr. Speaker, I am very sure that many of you here before in this House knew of persons who might get the money to buy the ticket, but they have to come to you to pay the departure tax. You must have had that experienced. They come to you asking you, well I have the ticket money but I need \$40 to help with my departure tax. Now they are going to come to you now and tell you that I have some of the money to pay the ticket but I want a makeup because of this current Bill that are being debated. Mr. Speaker, I am saying at this point in time I and my other colleagues on this side of the House do not support an increase at this point in time. Thank you very much.

**HONOURABLE MR. SPEAKER:** Any further debate, Honourable Member for South Leeward.

**HONOURABLE NIGEL STEPHENSON:** Mr. Speaker, I am basically standing to give support to my colleagues on this side of this Honourable House. I understand that to some extent that Government cannot meet its requirement in terms of providing goods and services for the nation, I understand that, but I particularly like the point that Senator the Honourable Linton Lewis made when he said that to everything there is a season and we do not need anybody at all from any part of St. Vincent and the Grenadines to explain to us or to describe to us how difficult things are in St. Vincent. While for some of us \$10 may be very insignificant, Mr. Speaker, I am from the constituency of South Leeward and on a daily basis I have to be constantly scratching

my head and whenever I enter that constituency, I am praying that nobody is going to confront me with the many, many burdens that they have been carrying around.

**DR. THE HONOURABLE RALPH GONSALVES:** You should resign [laughter].

**HONOURABLE NIGEL STEPHENSON:** So I am just hoping, Mr. Speaker, that they are not going to approach me, but it does not escape me, Mr. Speaker, because the reality is our people out there are saddled and they are characterised by hopelessness and despair. They do not know with any assurance where they are going to get the next dollar to provide for their family and to come to this Honourable House and say to the Vincentian people that it is insignificant to introduce an Airport Service Tax of \$10 is not going to affect them.

I understand Mr. Speaker, and I listened very carefully and I have the tendency to listen to the Honourable Member for South Central Windward, someone I regard as having good prospect and I have tremendous respect for, but Mr. Speaker, when I listened to my Honourable Colleague over there say that this particular category of people whom I believe would be affected the greatest, the traffickers we have to be careful how we more or less mention them because they will not find any objection at all to paying this increase [interjection] well maybe the traffickers that you talked to, because from my end there are also traffickers who are very, very unhappy and while there may be Vincentians who may not object because in their view it may be nation building, in my view Mr. Speaker, it is a mystery tax, because while we have patriotic Vincentians who would want to see St. Vincent and the Grenadines excel and will contribute, I am not sure I have heard today precisely where or what aspect of our economy is going to benefit from this tax.

So perhaps if people know precisely where that extra \$10 would be going, then perhaps they will come forward, but for now I am thinking that it is a mystery tax that we still have to come clear to the Vincentian people and; therefore, Mr. Speaker, I do not support this Bill. Thank you.

**HONOURABLE MR. SPEAKER:** Honourable Prime Minister, I recognise you.

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, Honourable Members, I want to thank all Honourable Members for their contributions though I must say I am disappointed with the arguments and the presentations of the Opposition in their opposition to this Bill and more particularly to the \$10 increase in the Airport Service Charge.

Mr. Speaker, this country today as a proportion of GDP over the period that the ULP has been office, the Government collects a smaller percentage of the Gross Domestic Product than was the case before we came to office. In other words, proportionately in relation to the wealth of the country, the country is less taxed that is a fundamental fact.

Mr. Speaker, I would draw attention to a few of the tax measures and Mr. Speaker, I raise this in as much as it touches and concern the overall issue of taxation which has been raised in the debate. When we came to office \$12,000 was tax free of your income, your annual income it is now \$20,000 [applause]. In other words the working people of this country do not pay the extent of taxes that they paid before this Government came to office on their personal Income Tax that is the working man and if I may say so Mr. Speaker, it not only affected the working man at the bottom where we lifted the threshold by \$8000 and we would have continued to

lift the threshold were it not for the fact that we had an international meltdown in the world capitalist system from 2008 and continuing. Similarly, we have reduced the top rate of Income Tax from 40 percent to 32.5 percent [applause]. These are incontrovertible facts.

Let us go to Companies. Companies used to pay 40 percent taxes on their profits, they now pay 32.5 percent [applause]. Companies which are engaged in manufacturing which paid taxes on the imputation of raw materials in manufacturing in their manufacturing enterprises, no longer pay [applause] taxes on raw materials. I am talking about the productive sector.

Mr. Speaker, in the Tourism Sector we have specifically reduced the rate of taxation below the 32.5 percent to 20 percent [applause]. I am giving you manufacturing, I am giving you tourism, and I am giving you the broad business community. In relation to the farmers of this country, not only do they continue to get their preexisting tax concessions, but they are being..., the inputs and in particular fertilizer, it is \$20 a sack subsidised by this Government on an ongoing basis [applause] \$20 a sack. Not \$20 for all the fertilizer you know \$20 a sack and we do that through our arrangements on an ongoing basis with the sugar pricing. And Mr. Speaker, if I add this, the extent of the subsidies for farmers have increased immeasurably because of the injections which we have put in over and over again to reduce the inputs even beyond that particular subsidy [applause].

We are building an airport and we are running an airport..., the following airports additionally, E. T. Joshua, the James Mitchell Airport in Bequia, Canouan we spent, Mr. Speaker, we spent over US\$50 million building a Jet Airport in Canouan US\$15 million of which forty add million dollars, we borrowed to provide access to Canouan, improved access and to develop the product down there for people, the tourism product. We did not increase any departure tax for that. We have an airport in Union Island; we have more airports in St. Vincent and the Grenadines than any country in the Eastern Caribbean. I do not know if Jamaica has more than us. Jamaica has a few local ones, but other than the two international airports, I do not know how many other small ones which they may have, but certainly in the OECS and Barbados and Trinidad and Tobago, there is no country with the number of airports which we have to maintain as in St. Vincent and the Grenadines.

In the case of Bequia, the dance cannot pay for the light. Eight thousand passengers a year go to Bequia, 8000. Divide that by 12 months, it is under 700 passengers a month. Divide that by 30 days you will see you do not get in Bequia, Mr. Speaker, what 20 passengers a day? [Interjection] eh? That is what you get you know and we have to maintain a staff, we have to repair the place, I just do not understand the rank unreasonableness on the part of the Opposition in the light of this matter, to the point of where people out there who are listening would say, "they lack such intellectual creativity, they lack such an understanding of the issues of development, they have no compelling narrative, so they are left floundering and that is why they remain in opposition and they will continue to remain in opposition, because they are not serious people, they are not serious people." [Interjection] you would lose your seat in North Leeward, I guarantee you that [interjection] [laughter] I am telling you [interjection] you would leave there, you would leave there, you would lose [interjection] no, no, no, no, the people realised the big mistake they made with you. The people know they made a big mistake with you, the same thing with the Honourable Member for South Leeward [interjection] eh? Oh the people have made a mistake, the people have made a mistake, [interjection] aaaah, well when that is the intellectual contribution you are making, no wonder that people will vote you out. I mean that is your contribution? I mean really, really, let us be serious, let us be serious and what you all do not realise, you all are going to come back

with the same leader for a fourth whipping? A fourth consecutive beating, you are coming back with the same leader? [Interjection] with what? [Interjection] I do not understand it.

**HONOURABLE ARNHIM EUSTACE:** ..., you are wasting time.

**DR. THE HONOURABLE RALPH GONSALVES:** I am not wasting time.

**HONOURABLE MR. SPEAKER:** Striking of the gavel.

**DR. THE HONOURABLE RALPH GONSALVES:** I am not wasting time. You have showed me already that you find difficulty in calculating the percentages, you know, I am telling you what is the factual situation...,

**HONOURABLE ARNHIM EUSTACE:** ..., there are revision for all the OECS countries...,

**DR. THE HONOURABLE RALPH GONSALVES:** But I am telling you...,

**HONOURABLE MR. SPEAKER:** Striking of the gavel.

**DR. THE HONOURABLE RALPH GONSALVES:** What I am giving you what the facts are, you are seeking to make an explanation as to what the facts are not, you know.

**HONOURABLE VYNNETTE FREDERICK:** Inaudible.

**DR. THE HONOURABLE RALPH GONSALVES:** Well you do not know what LTE means, so you should not ask me anything [laughter] you should keep your mouth quiet.

**HONOURABLE MR. SPEAKER:** Honourable Members...,

**DR. THE HONOURABLE RALPH GONSALVES:** You do not understand what that means.

**HONOURABLE MR. SPEAKER:** Striking of the gavel. Let us...,

**DR. THE HONOURABLE RALPH GONSALVES:** Really, really, really...,

**HONOURABLE MR. SPEAKER:** Honourable Members, just a minute please. Let us...,

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

**HONOURABLE MR. SPEAKER:** Wait, just a minute please. Let us get on with the debate.

**DR. THE HONOURABLE RALPH GONSALVES:** Yes Mr. Speaker, I appreciate that.

**HONOURABLE MR. SPEAKER:** Stop the trading.

**DR. THE HONOURABLE RALPH GONSALVES:** Yes Mr. Speaker, I appreciate that. Mr. Speaker, we are building an international airport at \$670 million and we have had to use the most creative means of financing and getting this passed, but the Honourable Member for Central Kingstown I want the people of St. Vincent and the Grenadines to say that I recklessly embarked on a project for which there was no financing. I

started it in August 2008 and I am a year and a half away from it and it dovetails with the position of the Opposition that they really opposed the airport in their own heart for one simple reason that the Unity Labour Party Government is building it [applause] and when someone would say..., when someone who holds himself out to be serious will say that we have recklessly embarked on a project, the careful creative manner in which we have gone about this project stands as a monument to creativity [applause] and it is so recognised by all the Governments which come in touch with us including friendly Governments which have not yet contributed and from regional institutions and unless somebody wants to stifle their conscience.

I have a feeling that when they are driving out there, when they are going to the country, Mr. Speaker, they do not look eyes right, they look eyes left [interjection] you know or they try to go through Mespo and when they are coming down from the country they do not look left, eyes right, they try to avoid it. They want to avoid it like how in the way that jumbie avoid holy water. I really..., so Mr. Speaker, we are having a new method..., a new mechanism of financing the airport and having the Airport Service Charge collected and at that very moment we say, okay we will increase by \$10.

People are not I am absolutely sure the vast majority of people are not going to oppose paying an extra \$10 for a departure tax from St. Vincent where St. Vincent and the Grenadines has by far the lowest departure tax in the entire Caribbean that is the reality. Mr. Speaker, I hear the talk that people will not be able to pay \$10, I believe \$10 is two Guinness or two Beers you know. That is what it is you know and the persons who trade, the itinerant traders who go down to Trinidad whom we call traffickers, I am absolutely sure and those who I know would say that if the \$10 is helping us to build up St. Vincent and the Grenadines, they will support it and they will tell me I should have put on a little more because it is so much more expensive in every other country in the Caribbean [applause].

Mr. Speaker, in everything we do, we have to past the test of reasonableness and I do not think that anybody can say that an increase of \$10 on a tax which has not been increased since 2004 is unreasonable in all the circumstances. Mr. Speaker, I acknowledge that these countries are undergoing serious challenge. I mean if you have the advanced capitalist countries in the world, the United States of America, Western Europe, having the kinds of meltdown that they are having and we are a country which is very small, comparatively speaking with more limited resources, but yet we have been able to hold it together and deliver quality services to people in health, in education, in sanitation, in policing, we have increased the safety net with people by increasing Public Assistance [applause] significantly.

Mr. Speaker, it is only last week the Opposition got up and praised how the schools are doing well. They praised pan, the praised the police, they praised the CDC; they praised every single thing last week and as I pointed out, the advances in education is because of the Education Revolution which they opposed. The advances which we have made in the police are making a number of changes which they also opposed. In the field of Culture, I remember when we were developing the Victoria Park, there is a multipurpose facility and we put it in the hands of the National Lottery, I remember the Honourable Member for Central Kingstown went ballistic on it, how you give them that, why not Town Board, why not the National Sports Council? When he saw the National Lottery doing, he conceded that the Prime Minister was right.

When we started to renovate the place and push down the mountain which they had at the bottom which we met and we start to concrete a little bit to the top, he also went ballistic, he said, “You are shortening the field”, he did not do any measurements you know, you are shortening the field, but we flattened the place, lengthened the field on the Southern side....

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

**DR. THE HONOURABLE RALPH GONSALVES:** oh you want....

**HONOURABLE MR. SPEAKER:** on a point of order.

**DR. THE HONOURABLE RALPH GONSALVES:** I will sit down. I am in a generous mood you know because you are my friend [laughter].

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Prime Minister, I cannot...., you are misleading the House the Honourable Prime Minister. You ascribe unto me a lot of statements which I have never made and I will just refer that to the records that you do not allow them to be repeated here, about field levelling and measuring. I have never been involved in those kinds of things.

**DR. THE HONOURABLE RALPH GONSALVES:** I say you did not.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Do not ascribe to me statements and actions that I did not take that is all I am asking. Just be truthful.

**DR. THE HONOURABLE RALPH GONSALVES:** But that is what I am doing. You did not measure, but you spoke.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I will walk with a feather for you, you know.

**DR. THE HONOURABLE RALPH GONSALVES:** Eh?

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** I will bring a feather in the Parliament the next time.

**DR. THE HONOURABLE RALPH GONSALVES:** You will bring your file.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** A feather.

**DR. THE HONOURABLE RALPH GONSALVES:** A feather. Mr. Speaker, I would say this, in fact, he has tickled my memory, Mr. Speaker, when the place was opened he spoke, because he was then high up in football, he said, “this is a magnificent facility and I have to apologise to the Prime Minister for saying that way he put the concrete, the field is bigger, is he around”, I was not around at that point, I give him centre stage, I allow him to be centre stage [laughter].

Mr. Speaker, I now...., he now tickled my memory. I now remember the thing [laughter] I am very happy that he stood up, Mr. Speaker [laughter]. You notice you did not deny that because it is true.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** You just like Paul Keens.

**DR. THE HONOURABLE RALPH GONSALVES:** I am like Paul Keens? Because I hit the nail right on the head [interjection] I hit the nail right on the head. Mr. Speaker, in the same way that he made errors on these matters, he is making a lot of errors in his analysis and what I would asked to be done, it is 12 years now that they are in opposition and they have not written or proposed anything which constitute a compelling narrative, in fact, on no area. Mr. Speaker, when I made my speech on the airport on August 8<sup>th</sup> 2005 the Honourable Leader of the Opposition said that he was coming to make one in two weeks. It took him five years before he said anything and it was one week before the General Election in 2010 and what he said, “I am going to support it.”

**HONOURABLE ARNHIM EUSTACE:** Wey you telling lie for?

**DR. THE HONOURABLE RALPH GONSALVES:** It is not a lie [interjection] no, because in fact, Frank Da Silva was calling on you..., your friend Frank Da Silva at least the Honourable Senator Lewis’ friend, Frank Da Silva, is their friend was calling...,

**HONOURABLE ARNHIM EUSTACE:** Let me refresh your memory.

**DR. THE HONOURABLE RALPH GONSALVES:** Refresh it.

**HONOURABLE ARNHIM EUSTACE:** I did a national broadcast in which I explained that our consultant fund will cost over \$1 billion.

**DR. THE HONOURABLE RALPH GONSALVES:** What I know in your national broadcast with Jerry George.

**HONOURABLE ARNHIM EUSTACE:** I did not do it with no Jerry George.

**DR. THE HONOURABLE RALPH GONSALVES:** What I know with Jerry George, when Jerry asked you about the thing, “He say, get the money from where, tell me where, where must I get it from?”

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

**DR. THE HONOURABLE RALPH GONSALVES:** The only time I have heard you more agitated is last week when you were screaming here.

**HONOURABLE MR. SPEAKER:** Striking of the gavel.

**DR. THE HONOURABLE RALPH GONSALVES:** You told Jerry George, you say, “I would not get it from the European Union and I would not get it from this, I would not get it from that. So what you cannot do..., what you are immobilized...,

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

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

**HONOURABLE MR. SPEAKER:** You have 10 minutes to conclude your address.

**DR. THE HONOURABLE RALPH GONSALVES:** I am obliged, Mr. Speaker.

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

**DR. THE HONOURABLE RALPH GONSALVES:** I done give way.

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** Thank you very much. Mr. Speaker, the Honourable Prime Minister a while ago indicated that for many years now this New Democratic Party has made no compelling narrative under the matter of substance. Did I understand you to say that?

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

**MAJOR THE HONOURABLE ST. CLAIR LEACOCK:** In this Honourable House Mr. Speaker, I have repeatedly called to the institution of something called “a Constituency Development Fund” I argued and I fought hard on it, Mr. Speaker. It was in the proposed constitution [interjection] thank you very much. Last week in this Honourable House, Mr. Speaker, the House circulated this document from the Common Parliamentary Association, “Constituency Development Funds, Principles and Guidelines for Effective and Accounting Operations,” thank you very much, Mr. Speaker.

**DR. THE HONOURABLE RALPH GONSALVES:** Well Mr. Speaker, my Honourable friend, the Member for Central Kingstown has strengthened my point. As far as he is concerned, the compelling narrative that he has made in all this time in the House and outside is in relation to the establishment of a Constituency Fund. You can develop a country by setting up a Constituency Development Fund? That is a compelling narrative?

**HONOURABLE MR. SPEAKER:** Let us move on.

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

**HONOURABLE MR. SPEAKER:** Yes.

**DR. THE HONOURABLE RALPH GONSALVES:** I beg to move. With the amendment which we had put in Mr. Speaker, for clause (6):

I beg to move that an Act to improve an Airport Service Charge on passengers departing by air from St. Vincent and the Grenadines to make provision for the collection of charge and for connected purposes be read a third time by title and passed.

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

4. Bequia Community Church incorporation Bill, 2012

**Question put and agreed to.  
Bill read a second time.**

5. Christian Pilgrim Fellowship Incorporation Bill, 2012

**Question put and agreed to.  
Bill read a second time.**

6. Prayer and Faith Assembly Incorporation Bill, 2012

**Question put and agreed to.  
Bill read a second time.**

7. Maranatha Baptist Church Incorporation Bill, 2012

**Question put and agreed to.  
Bill read a second time.**

8. Harvest Bible Chapel Incorporation, 2012

**Question put and agreed to.  
Bill read a second time.**

9. Berean Baptist Church Incorporation Bill, 2012

**Question put and agreed to.  
Bill read a second time.**

10. St. Joseph Spiritual Baptist Church Incorporation Bill, 2012

**Question put and agreed to.  
Bill read a first time.**

**DR. THE HONOURABLE RALPH GONSALVES:** Mr. Speaker, in respect of the raft of Bills for the Churches to be incorporated, on the Government side:

The Honourable Minister for Ecclesiastical Affairs that is the Member for Central Leeward, the Honourable Senator Charles and the Honourable Senator Browne. I do not think we need more than three persons and of course the Attorney General.

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

**HONOURABLE ARNHIM EUSTACE:** On the Opposition side, the Honourable Nigel Stephenson and the Honourable Senator Lewis.

## **ADJOURNMENT**

**DR. THE HONOURABLE RALPH GONSALVES:** I notice that, Mr. Speaker, the Honourable Leader of the Opposition has surprised Senator Lewis with a touch of Ecclesiastical matters [laughter]. Mr. Speaker, tomorrow is a public holiday, it is an important anniversary. I hope you all have a very reflective day and we do

things which are very uplifting to ourselves, our families, our country and I want to wish everyone a wonderful Emancipation Day tomorrow.

Mr. Speaker, we have a Property Tax Bill which should take us a few sittings in going through and we need to hammer it out properly. So I think we should give ourselves a good distance between now and September, say September 13<sup>th</sup> and I think we will set the first day for the Select Committee in August, I think August 13<sup>th</sup> so that Honourable Members can read it, study it carefully so that we can..., and for us to give enough time to invite NGOs, other prominent individuals who might wish to comment on the Bill so that we have the best possible Bill. So I beg to move, Mr. Speaker...,

**HONOURABLE MR. SPEAKER:** August 13<sup>th</sup> is the meeting of the Select Committee?

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

**HONOURABLE MR. SPEAKER:** Okay

**DR. THE HONOURABLE RALPH GONSALVES:** At 9:00 a.m. hopefully we use here in the House of Assembly because the Court will be on holidays. Mr. Speaker, accordingly I beg to move that this Honourable House do stand adjourned until September 13<sup>th</sup>, 2012 at 10:00 a.m.

**Question put and agreed to.**

**House adjourned at 3:25 p.m.**

**Until Thursday September 13<sup>th</sup>, 2012 at 10:00 a.m.**