

**OFFICIAL HANSARD REPORT
THURSDAY
1 DECEMBER 2011
10.42 AM
First Sitting**

The Speaker: I call on the Honourable First Official Member to say prayers this morning.

are interested, is 10.00 on Saturday morning at the Universal Church of God.

PRAYERS

The Deputy Governor, Hon. Donovan W. F. Ebanks: Let us pray.

Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

The Lord bless us and keep us. The Lord make His face shine upon us and be gracious unto us. The Lord lift up the light of His countenance upon us and give us peace, now and always. And, O Lord, hear our supplication here now. Amen.

The Speaker: Proceedings are resumed. Please be seated.

**READING BY THE HONOURABLE
SPEAKER OF MESSAGES
AND ANNOUNCEMENTS**

Sympathy extended to Clerk on loss of mother

The Speaker: I have no messages this morning.

I do want to record the sympathy of the staff here and the Legislative Assembly to the Clerk on the loss of her mother. The funeral service, for those who

House visitors

The Speaker: I also want to welcome the Savannah students. As you can see, I think there are 50-plus, of them in the Gallery this morning. This is a school that has shown a tremendous interest in Parliament and we do welcome them, especially today.

Thank you.

**PRESENTATION OF PAPERS
AND OF REPORTS**

**Cayman Islands Government 2012/13 Strategic
Policy Statement for the financial year ending 30
June 2013**

The Speaker: Honourable Premier.

The Premier, Hon. W. McKeever Bush: Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the Cayman Islands Government 2012/13 Strategic Policy Statement for the Financial Year ending 30 June 2013.

The Speaker: So ordered.

Does the Premier wish to speak at this time on this statement?

The Premier, Hon. W. McKeever Bush: No, Madam Speaker. I intend to have a statement on the motion.

The Speaker: Thank you.

**STATEMENTS BY HONOURABLE
MEMBERS AND MINISTERS
OF THE CABINET**

The Speaker: Honourable Minister of Health.

World AIDS Day

Hon. J. Mark P. Scotland: Thank you, Madam Speaker.

Before I present a brief statement I, too, want to welcome the Year 5 students from Savannah Primary. I had the honour to give them a short lecture (I

guess you would call it) last week Friday on their theme of Government. I did it last year as well. I hope they are learning a good lesson and welcome them here today to the Legislative Assembly.

Madam Speaker, I want to present a short statement today in recognition of World AIDS Day, Thursday, December 1, 2011.

AIDS related deaths are at the lowest level since their 2005 peak. And according to UNAIDS [Joint United Nations Programme on HIV/AIDS], the number of new HIV infections is 30 to 50 per cent lower now than it would have been in the absence of universal access to treatment for people living with HIV.

Even so, it is no time to let our guard down. Instead we should wholly commit to this year's World AIDS Day theme and join the push to getting to zero—zero new HIV infections, zero discrimination, and zero AIDS related deaths.

World AIDS Day is important in reminding people that HIV has not gone away and there is much to be done. It is an incurable disease, but no longer a death sentence. While globally there is reason to celebrate, local statistics tell us that we still have a lot to do in the Cayman Islands. Since the first case was diagnosed in 1985 we have seen a steady rate of new infections with the age group 25 to 29 years reporting the highest number of HIV cases.

Since 2006 32 new cases were diagnosed—six this year alone. To date, there are 100 known HIV and AIDS cases in the Cayman Islands. Another worrying trend is people's reluctance to openly address HIV and AIDS and an unwillingness to get tested. And with low testing rates our HIV and AIDS caseload might be much higher, as is feared by local AIDS activists.

Clearly, as a country we are not on track to get to zero. One of the biggest obstacles in reversing negative trends is the high levels of stigma and discrimination that HIV and AIDS still attract. If people feel they will be labelled or socially ostracised chances are they will not get tested or they will not seek the treatment they need.

The fear of discrimination is a strong force. As the subject of many studies, it has been shown to dramatically reduce the efficiency of any AIDS response as it prevents people from accessing much needed HIV related preventative and curative care, support, and information services.

Of course, the strongest ally in combating stigma and discrimination is knowledge. It is important to learn more about the reality of HIV and AIDS around the world. And I thank our local organisation—the Cayman AIDS Foundation—for tirelessly working on these campaigns. But in order to turn back the numbers the movement requires more—it needs personal commitment from all of us. This call to action goes out specifically to our young people. As the next generation you have the capacity and interest to get to

zero. Moreover it is important to face the fact that as a group you are also very vulnerable to a disease that is still far too prevalent.

Parents should also join in the discussion. Educating young people about HIV and AIDS calls for candid discussions of sensitive subjects such as sex and drug use. Schools continue to play a fundamental role in providing HIV and AIDS education for our young people through Peer Education Programmes offered through the Red Cross and other partners. And I wish to congratulate them on their efforts.

Our region is still carrying a heavy burden. The Caribbean is still the second most affected by HIV and AIDS in the world after sub-Saharan Africa. While it is important for governments to continue to support by allocating resources to fight this disease, I also believe in the power of individuals and individual actions.

As Minister, my Ministry has recently established the HIV and AIDS multi-sectorial committee to coordinate an effective and sustainable response with the involvement of public and private sector partnerships. It is my hope that this committee will review our current National AIDS Policy and National Strategic Plan for HIV and AIDS and make recommendations to ensure consistency with international agreements and the development objectives of a broader National Health Plan for the Cayman Islands.

As was noted in a recent AIDS study, all over the world the AIDS epidemic is having a profound impact—bringing out both the best and the worst in people. It triggers the best when individuals group together in solidarity to combat government, community and individual denial and to offer support and care to people living with HIV and AIDS. It brings out the worst when individuals are stigmatised and ostracised by their loved ones, their family and their communities, and discriminated against individually as well as institutionally.

This World AIDS Day I encourage every person to set your sights on achieving the three zeros. Let us pledge to work together to realise this vision for all residents of the Cayman Islands. HIV is part of your health and your health is your responsibility.

Thank you, Madam Speaker.

The Speaker: Thank you, Minister of Health.

Suspension of Standing Order 14(2)

The Speaker: Honourable Premier.

The Premier, Hon. W. McKeeva Bush: Thank you, Madam Speaker.

Madam Speaker, I beg to move a motion to suspend Standing Order 14(2) to enable Government Business to take precedence over Private Members' business today.

The Speaker: The question is that Standing Order 14(2) be suspended to enable Government Business to take precedence over Private Members' business today.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. Standing Order 14(2) is accordingly suspended.

Agreed: Standing Order 14(2) suspended.

ANNOUNCEMENT BY THE HONOURABLE SPEAKER

Apology

The Speaker: Before we go to Government Business, I neglected to mention that the Honourable Minister of Education is absent today. He has a serious family crisis.

Madam Clerk, please proceed.

GOVERNMENT BUSINESS

MOTIONS

Suspension of Standing Order 24(5)

The Speaker: Honourable Premier.

The Premier, Hon. W. McKeewa Bush: Thank you, Madam Speaker.

Madam Speaker, I beg to move a motion to suspend Standing Order 24(5) to enable a Government Motion to be dealt with during this Meeting.

The Speaker: The question is that Standing Order 24(5) be suspended to enable a Government Motion to be dealt with during this Meeting.

All those in favour please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. Standing Order 24(5) is accordingly suspended.

Agreed: Standing Order 24(5) suspended.

Condolences

The Speaker: Honourable Premier.

The Premier, Hon. W. McKeewa Bush: Thank you, Madam Speaker.

Madam Speaker, before I move this Motion I think it is proper that I extend condolences to the Clerk. I know that you have done so. But as Leader of Government Business here in this House, I think it is appropriate to extend condolences to the Clerk and her family on the loss of their beloved mother, and I do so at this point, Madam Speaker, so that it is recorded.

Also, Madam Speaker, we have lost a very notable Cayman Bracer in the late Mr. Garland Jackson who was Commissioner and also Permanent Secretary in the Ministry of Works, I believe at the time . . . Personnel. And I do remember, Madam Speaker, Mr. Jackson and his works when he was down here and particularly when he was in Cayman Brac as I used to visit Cayman Brac during his time as Commissioner up there. So, we want to extend and put on record our grateful appreciation for his service and extend our condolences to his family in Cayman Brac and Grand Cayman.

Thank you, Madam Speaker, for your indulgence there.

Government Motion No. 4–2011/12—Strategic Policy Statement for the 2012/13 Financial Year

The Premier, Hon. W. McKeewa Bush: Madam Speaker, I now move Government Motion No. 4–2011/12, the Strategic Policy Statement (SPS) for the 2012/13 Financial Year. It states:

WHEREAS section 23(1) of the Public Management and Finance Law (2010 Revision) states that a 'strategic policy statement for the next financial year shall be presented to the Legislative Assembly by a member of the Governor in Cabinet appointed by the Governor in Cabinet to do so on their behalf for approval within two months, and if the Legislative Assembly has not within that period resolved to approve, amend or reject the statement it shall be deemed to be approved';

AND WHEREAS the Government has now prepared and presented a strategic policy statement for the 2012/13 financial year;

BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the 2012/13 Strategic Policy Statement as the indicative parameters on which the 2012/13 Budget is to be formulated.

The Speaker: The Motion is open for debate.

Does the presenter wish to speak thereto?

The Premier, Hon. W. McKeewa Bush: Thank you very much, Madam Speaker.

Madam Speaker, this Motion seeks approval by this Honourable Legislative Assembly for the Gov-

ernment's 2012/13 Strategic Policy Statement, which I laid on the table earlier.

The Strategic Policy Statement is a high level document whose primary purpose is to inform the public of the broad budgetary policies which will guide the Government's preparation of the 2012/13 Budget. The SPS (as it is shortly known, Madam Speaker) is, by design, not as detailed as the annual budget document because it is intended to be used as a guide to budget planning, whereas the other annual budget document is far more detailed and operational in nature.

This Strategic Policy Statement has been prepared in full accordance with the Public Management and Finance Law. It reflects the key policy priorities of our Administration for the next three financial years, that is, Madam Speaker, 2012/13, 2013/14 and 2014/15.

The Strategic Policy Statement also provides the Government's annual forecast for the same period, establishes the operating and capital expenditure limits that each Government Ministry and/or Portfolio must adhere to.

Madam Speaker, a responsible Government (which this Administration certainly is) must make decisions in a real world, real time context. We live in a time when economic conditions, the world over, are difficult. The world over, Madam Speaker, growth is sluggish. The world over excessive reliance on borrowings in the past has created major difficulties in many economies—many European economies in particular. We have seen what is happening in Europe and when whole countries are up in disaster over borrowings and the financial management of their territories.

In particular, in the United States of America, Madam Speaker, approximately 40 cents—*40 cents*—in every dollar of Government expenditure is financed by borrowing—in the great United States.

Madam Speaker, that is serious, for each one of us knows that when we borrow and overextend ourselves (whether it be for a car, whether it be for a house, or whether we are adding on to our homes to make our lives better for our families), that it is a cost and we must be able to meet that cost. And if you cannot meet that cost then somebody pays the bill. Our parents pay the bill, and if they cannot pay the bill, then the bank walks in and takes the car, takes the vehicle, takes whatever it is you borrowed for if you cannot pay. And that is the simple truth and simple arithmetic in our lives.

So much more so, Madam Speaker, for the country, if we borrow too much, we overextend ourselves and we cannot pay for the things that we want—our roads, our schools, our hospitals, whatever things that we are trying to provide for our people. If we cannot pay for it, somebody takes control of it. And that is what is happening in those countries.

In the United States, they pay income tax, they pay property tax, they pay company tax, they pay tax on capital gains. In this country we have no such taxation. And we do not want it. We have managed well all these many years, Madam Speaker, by not going into direct taxation. But we have to be more than careful with what we borrow and how we spend it, and what we do with all those funds.

Unemployment, Madam Speaker, because of world conditions unemployment levels in many advanced countries are up to or near record levels all around—*all around*. Some of the highest in its time are in the United States. In Europe people are on the street because of poverty and the reduction of benefits. In the Arab world, Madam Speaker, if you watch the *Financial Times*, if you watch the United States news media, if you watch the world stage media, we see it every day played out—poverty. Poverty puts people on the street. And they are saying, *We have had enough, we cannot take anymore*.

Countries, Madam Speaker, that are strapped for money, what do they do? They have income tax, they have property tax, and still it is not enough for them. And I thank God every day of my life that I live in the Cayman Islands where we have our challenges, our problems and sometimes it seems that it goes over our heads, but we do not have that. We are still a God blessed country and I praise the Lord for that—that we are still able to provide services to our people. No benefits have been cut except for the salary reduction of Members of this House and for 3.2 per cent for Civil Servants, which we intend to put back this year (and I still hope that that is possible).

Madam Speaker, yes we are a God blessed nation. Thank God our children can go to school—the vast majority of them—free of cost. All they need to do is to study, take advantage and study and progress. Thank God that our senior citizens still get their benefits. In all the struggles that we have had—both sides of the House—we never cut senior citizens' benefits, we still provided for them.

Madam Speaker, we still honour our veterans who went to war to protect us. We did not cut those benefits although we had struggles on both sides of the House. Our seamen, Madam Speaker, who we honour as a service to the country, because when they went to sea they could send back money and sometimes that money helped the central government's budget. What I am talking about right now . . . back then, those seamen's money carried on and on. And so, Madam Speaker, we are thankful, ever grateful. And we can say in our own parlance, *thanks be to God for all that He has done for us*.

Madam Speaker, the world over, much less Cayman, any individuals and business entities that can invest are being very careful in their choices and demanding in their returns what they require for their investments. The world over, Madam Speaker, and I travelled for this country to promote this country (and I

have to do that) and when you do that and you sit at the table the world over businesses are asking, *If I come to your country what are you going to do for me?*

The governors of each state in the United States are calling up businesses and saying, *I want you to come to my state—to New York (wherever the state is). The Governors themselves are calling businesses and saying: Come to my state and I will do this for you. I will give you no taxes so that you can employ people. And I will give you taxes for so many years free as long as you employ people.*

Many of us, Madam Speaker, who are reaching my age group (and probably there are only two or three of us in this House that are near that point) never thought that since the great Wars of 1939, 1945, and all the conflicts thereafter, we would see this day. When I entered this House in November 1984, Madam Speaker, the Budget was probably something this thick . . . this [*holding up a small document*] . . . a few pages. Today we have a budget nigh close on to \$500 million.

Those of us who have served in Cabinet or the Executive Council—Mr. Eden, the [Second Elected] Member from Bodden Town; Mr. Tibbetts, the First [Elected] Member from George Town; and myself—know how hard it is to try to provide benefits, even in good times, because we do not believe in taxation. We do not believe in taxing our people and their businesses the way other countries have to do to survive. We never realised, never imagined that we would see on the world stage what is happening.

Now, Madam Speaker, Governments' position—whether it is sustainable—is being questioned and whether we can combat economic difficulties which are starting to bite under our watch. My Administration (as I suspect would be the feeling of any future administration) would be determined to ensure that the Cayman Islands is able to improve its fiscal planning and overall financial management.

The SPS bears out this intention. The Strategic Policy Statement that I am presenting bears out this statement and this intention and demonstrates our commitment to a responsibility in times of austerity. And if I had to give a title to this morning's presentation, Madam Speaker, that is what I would call it—"Responsibility in times of Austerity". And anyone believing that it is not austere times, then, Madam Speaker, they are making a big mistake—they are planning in a void. These are more serious austere times.

Madam Speaker, Ministries and Portfolio targets set out in the SPS can best be described as austere. I say this because in order to achieve them all public sector agencies will have to significantly lower their operating costs over the next three years. Undoubtedly, whichever government is in—this or another one—will require that some difficult decisions be made by the Cabinet and Civil Service managers.

These decisions will have to be made within the context of the financial and economic realities facing the Cayman Islands, balanced—*balanced*—with a strong sense of responsibility that we as legislators have to our constituents—all the people of these Islands.

The Speaker: Honourable Premier, I do not like to interrupt you but could we have a small break please, about five minutes, if you do not mind?

The Premier, Hon. W. McKeever Bush: Yes, Madam Speaker, thank you kindly.

Proceedings suspended at 11.05 am

Proceedings resumed at 11.07 am

The Speaker: I do apologise I had a small crisis to take care of.

Proceedings are resumed. Please be seated.
Honourable Premier, please continue.

The Premier, Hon. W. McKeever Bush: Thank you, Madam Speaker.

Madam Speaker, I was saying that these times can best be described as austere times because in order to achieve them, public sector agencies, whilst some of them have made some very marginal increases, there have been expenditures that will have to be kept to a bare minimum over the next three years. Undoubtedly, Madam Speaker, this will require that some difficult decisions be made by the Cabinet and Civil Service managers. These decisions, though, will have to be made within the context of the financial and economic realities facing the Cayman Islands balanced with the strong sense of responsibility we as legislators have to make to the people of these Islands.

As I said, these are austere times. These are austere times. Expenditures in some areas were increased and some areas they have been kept to a bare minimum. Over the next three years, that is what the times demand. Expenditure restraints, Madam Speaker, will likely mean that there will be changes to services delivered by government agencies because the truth is that we can no longer afford to do business as usual. Here in Cayman the government is often the sole provider of key health care and social services that many in our community depend on. But we must find a way to provide our key services in as cost effective a manner as possible with minimum negative impact to service delivery.

The budgetary plans of any country, Madam Speaker, and their accompanying narrative will, at their best, be inspirational and uplifting. That is what we all would like to do and I certainly try to do that. But I consider that this Strategic Policy Statement and my contribution to it must provide plans that are helpful. And we would not be responsible if they were not

grounded in reality. For anybody can make plans, Madam Speaker, anybody can say, *I want to build this road, I want to build this school; I want to provide children with free uniforms, I want to provide children with free books in school; I want to provide the best cars for our police force, I want to provide the best prison service, I want to provide an efficient immigration service . . . anybody can do that.*

But, the fact is that all of us—on either side of this House in particular—must make those plans. Be truthful to the country. Tell the country what the facts are regardless if the country decides to throw us out the next time and vote for somebody else. That is their prerogative. But we must be truthful to the country. And the plans that we make must be grounded in reality.

And so, Madam Speaker, I have structured my contribution to the Government Motion on the subject of the Strategic Policy Statement by laying out the present realities. And I want to present some vision for the future, whether I am in here or whether I am someplace else—God will decide that, only God.

Madam Speaker, any approach to the present realities has to take into account the Framework for Fiscal Responsibility (FFR), which I signed with the United Kingdom Government on the 23 November, earlier this week—or, rather, last week. The purpose of the FFR is to curb excessive expenditure along with its consequential significant increase to public debt.

I have had to sign this, Madam Speaker, and it was a most bitter pill to swallow because which one of us after leaving anywhere at 16 . . . some of us did it earlier, Madam Speaker, [leaving] our mother's frock tail, and say, *Mama, I no longer need to stay in your room.* Do we want them telling us what to do? We take advice. So, it is a bitter pill to swallow when somebody actually dictates to you when you were paying for your own way—paying for your own room, paying for your own car, paying for your own clothes. That is a bitter pill to swallow.

But this country is in that position. Your mother does not pay, your father does not pay, and what they are making sure of in that Framework for Fiscal Responsibility is that we do not come back to them and say “pay.” That is what they are making sure of.

The United Kingdom Government is quite correct, as our parents would be, to be concerned about the twin evils of over expenditure and over borrowing—not just in its own case, because they are, and we can see the headlines and we heard from the Chancellor of the Exchequer on Tuesday—they are concerned in their own case, but that concern extends to its Overseas Territories.

The requirements of the FFR mean that revenue—not borrowing—should be the first source of financing to be applied to fund government's expenditure. This represents a change from the past, Madam Speaker, when borrowing had become the normal thing to do.

The Government's present fiscal position, and the Government's present fiscal year do not include an appropriation for borrowing. And Government does not intend to borrow in the upcoming 2012/13 year, or any year in the intervening period to 30 June 2016. That is what we have to do. No borrowing. The date 30 June 2016 is the date by which the Government is required to be compliant with the limits specified for our borrowing ratios as part of the FFR.

Madam Speaker, the scope of the FFR is not just restricted to central Government statutory authorities and government owned companies. In other words, all public entities are also encompassed within its provisions—all public entities.

As an example, in the area of debt servicing costs the existing borrowings of other public entities must be added with those of central government and must not exceed 10 per cent of central government's revenue. Government is required to comply with the limits for the borrowing ratios specified in the FFR by the 30 June 2016. So public entities are required to consult—not just go off because their law says so—not just go off and borrow to build anything, whether it be a sewage system that does not work or whether it be . . . whatever it is. Airports Authority, the Port Authority, and other government entities, are required to consult firstly with central government before embarking on any borrowing plan.

So regardless of who we put on the board—we could lawyers on the board, we could put accountants, certified public accountants re the best financiers in the world—it does not matter, they must now come to central government and say *this is what we are going to do* before they do it.

Madam Speaker, in presenting the SPS my Government's course of action shall be putting the Cayman Islands on a sure path of financial security. We shall ensure that these Islands have the resources to respond to future financial and economic crises. I also regard Government's 2012/13 fiscal year, Madam Speaker, as the present, because it starts on the 1 July 2012 next year—only seven months away.

Madam Speaker, I have hinted at the pressing economic challenges facing the world, and I will now take a few minutes to provide some information regarding that global economic forecast. As I said before, we operate in the real world in real time. Our economic performance, Madam Speaker, is closely bound up with what happens in the wider global economy.

The global economy is dealing with the effects of the global financial crisis which started a few years ago compounded by concerns of excessive sovereign debt burdens (sovereign meaning the country's whole debt, all the country's debt) carried by some countries across the world. And some of those have been so severe that they have impacted small islands. Big countries in Europe, their debt and their actions, have

been so severe that it impacts countries—small countries like the Cayman Islands.

The macro economic forecast for the world economy has been sharp changes since April this year reflecting the high degree of uncertainty among the advanced economies—the same economies that are traditionally considered the Cayman Islands' major source markets for financial services and tourism. We know that 80-odd per cent of our tourism—of all the people that come here—come from the United States—80-odd per cent; 87 per cent of that group from the United States comes from the Eastern Seaboard—New York and those states on that end. We depend tremendously—80-odd per cent comes from the United States in our tourism.

In April, Madam Speaker, global economic activity for 2011 was forecasted to grow by 4.4 per cent following a strong recovery of 5.1 per cent in 2010. However, the forecast for 2011, Madam Speaker, has been revised downward; some say to 4 per cent, others say below—in fact some recording negatives in view of the actual performance in the first half of the year and the heightened downside risk foreseen in the second half emanating from the United States and the European economies.

Growth in the US alone slowed from 3 per cent in 2010 to 1 per cent in the first six months of 2011. There were a number of factors, depressed households and business confidence for instance. Low employment rates persisted while heightened uncertainty in the management of their fiscal deficit led to a downgrading of the US Sovereign credit rating.

Madam Speaker, can we imagine that? Those of us who travel and pay attention to world conditions, those of us that go to the United States a lot, and who are old enough—did we ever believe that the United States would see that situation when they were downgraded? The United States—who controlled the world—downgraded in their US credit rating, meaning that when the US borrows now, they are not just printing dollars as the US Treasury would do. There is a cost to that and maybe a lot of people did not realise that. But now when they have to borrow (and they borrowed all along) it costs them tremendously more—with the US Sovereign credit rating downgraded.

And we do not know, Madam Speaker, what the future holds for us. People predict all sorts of things. Some say it is the end for the United States, some say it is the end. The United States? Sometimes the only thing we ever heard about in growing up . . . some went to school there, we know they are professional, we know their strength, their pure brawn, we know their punch. The United States downgraded. Some people are not paying attention, Madam Speaker, but I certainly am, because reality is reality and at some point you have to pay for what you do and how you do it.

That holds true for us as well. And we can say anything—either side of this House will make our own arguments to impress people. Madam Speaker, no matter how much we push it, no matter what we say about each other, the facts are the facts when it comes to Government. The facts are the facts no matter how much people twist it, no matter what they say on radio shows, no matter what they write in the newspapers, no matter what they talk about house to house, no matter what we say to our children—these are austere times.

Low employment in the United States, downgraded. So, external shocks from the tsunami in Japan and the sharp price increases in oil and other commodities also contributed to disruptions in economic output throughout the world. The US Gross Domestic Product (GDP) is now forecast to grow by 1.5 per cent if it manages that in 2011. And this is an election year for them, just months away from their elections, so all kinds of things are going to be said. But the facts cannot be changed—a sharp decrease at 1.5 per cent from the previous forecast of 2.8 per cent.

Over the medium term, Madam Speaker, economic growth is forecast to improve to around 3.4 per cent per annum by 2016 and we hope so, we pray so. And when they feel better we dance. If they catch a cold we sneeze and feel bad. That is the reality.

In Canada, Madam Speaker (another trading partner with us), there is a growing source of demand for the Cayman Islands in particular for our stay over tourism market. It is growing and we have done well. The GDP growth for 2011 is forecast to be around 2.1 per cent and 1.9 per cent in 2012—moderate growth of 2.2 per cent per annum is expected by 2016.

The European economies are facing economic troubles as well, as I said earlier. This has been exemplified by the high profile Sovereign debt crises of Greece, Italy, and Spain which has been played out in the international press over the past several months. But they are not adding to that. That is the one that has taken the headlines, but Portugal is in no better shape. And our own Mother Country, the United Kingdom, is facing tremendous pressure, as was explained by the Prime Minister in several statements and on the world stage, before Tuesday when the Chancellor of the Exchequer presented his autumn statement.

The 2011 GDP growth in the Euro area is expected to be only 0.25 per cent and is forecasted to be 1.1 per cent in 2012, if they reach that. We know the Euro is in huge trouble. No matter what they tell us here and how much they push us, they cannot get away from that fact themselves. The medium-term forecasts are cautious with growth being forecasted at 1.7 per cent per annum in 2016.

As I said, in the United Kingdom the GDP growth is forecast to be low, but they are saying it is stable. There is 1.1 per cent forecast for 2011 and 1.6

per cent at the last figures. I hope the figures I have were what was tabled by the Exchequer on Tuesday. Over the medium term, though, some improvement is forecast and GDP growth is expected to reach 2.7 per cent in 2016. But that is all the way to 2016. We are in 2011 . . . 12, 13, 14, 15, 16—at least 4+ years. That is a long time for a country to be trudging on, hoping, doing its level best to stay on top even if there is no growth, but praying that no more houses are lost, that no children go to school hungry, praying that old people still get their pensions. The world is in a bad condition.

The stalled recovery of the advanced economies in the first half of 2011 has highlighted the high growth performance among emerging and developing economies. Overall output growth for this group is expected to be 6.4 per cent in 2011 (together, that is) and 6.4 per cent in 2012. Barring adjustments from overheating in some countries such as Brazil and strong adverse impact from the low growth of the major economies, emerging and developing economies are expected to remain on the upwards trend with output growth of 6.7 per cent in 2016. And we pray to God Almighty that it does.

General price levels in this timeframe I am talking about, rose moderately among advanced economies in 2010 as consumption picked up on the one hand while prices of oil and nonfuel commodities rose sharply by 27.9 and 26.3 per cent respectively.

Inflation is expected to rise among advanced economies in 2011 to 2.6 per cent as monetary policies are likely to continue supporting domestic growth.

In addition, oil and nonfuel commodities prices are expected to surge further this year by 30.6 per cent and 21.2 per cent respectively. However, Madam Speaker, a modest reversal of these commodity price trends is foreseen for next year reflecting the dampened growth prospects and rising financial instability among advanced economies.

Inflation is forecast to be more moderate at 1.4 per cent in 2012 among these economies.

Now for the Cayman Islands economic forecast output, or the Gross Domestic Product growth. Madam Speaker, signs of recovery appeared in the first six months of 2011 (this year) as economic activity grew at an estimated 1.3 per cent following a 4.0 per cent decline in 2010. The key sectors in the recovery trend were hotels and restaurants, financing and insurance, and wholesale and retail trade and their trades of those areas. However, Madam Speaker, other sectors continued to perform weakly—construction, for instance, and real estate, renting (as people left the Islands), and business services.

Domestic recovery has been led so far by tourism services. Thank God that that is improving. It is doing well. In 2010 these services enjoyed an increase in external demand from the strong growth of air arrivals, 6.0 per cent, and cruise arrivals by 5.1 per cent. The strong upturn in the stay over market con-

tinued in the first half of 2011 (this year) with air arrivals increasing by 8 per cent although cruise visitors decreased by 3.4 per cent in that period.

In the first six months of 2011, Madam Speaker, activity in the domestic financing and insurance sector, which comprises approximately half of the country's GDP, saw an increase in their total foreign investment of 29.5 per cent and loans to non-residents at 10.1 per cent, reversing that decline posted in 2010.

Total domestic credit also rose in the first six months of 2011, although at a rate slower than in 2010, on the back of high public sector borrowings. Meanwhile, in 2010 global financial conditions continued to impact the local licensed institutions—banks and trusts decreased by 7.9 per cent, stock exchange listings were down by 15.2 per cent, mutual funds registration by just under 1 per cent, and insurance licenses decreased by 6 per cent.

However, Madam Speaker, new company registrations and new partnership registrations rebounded by 3.7 per cent and 19.9 per cent respectively. For the first half of 2011 most of the financial indicators continued to fall, however, at lower rates compared to 2010, while strong growth was recorded for new company registrations.

The real estate renting and business activities sector recorded another decline in 2010 of 2.4 per cent accounted for mainly by the real estate subsector which dipped further by 13.5 per cent in the first half of 2011. The latter was revived with a steep increase in the value of property transfers due to a few high value properties. Nonetheless the overall performance of the sector declined.

In construction the severe curtailment of demand persisted with double digit declines in total value of building permits and project approvals in 2010 and the first half of this year, 2011.

The actual overall performance of the economy in the first six months, Madam Speaker, points to a modest recovery of GDP by 1.2 per cent in 2011. Continued recovery is forecasted for 2012 with a 2.2 per cent growth bringing GDP growth for 2011/12 to 1.7 per cent. This, Madam Speaker, is hinged on a more broad based recovery of the financial services industry and stronger growth in tourism arrivals and construction.

Inflation: In 2010 the domestic economy, our economy locally, experienced higher prices of transport goods and services by 8.1 per cent. And electricity, which we all moan about and are very concerned about, by 21.3 per cent induced by somewhat a sharp increase in global oil prices (we know that). However, the overall price increase was held back at 0.3 per cent reflecting a downtrend in housing rentals, prices which comprise a significant portion of household spending.

Inflation, Madam Speaker, was highly . . . well, let us say it was slightly higher at 0.5 per cent the

first half of 2011 as average prices of food and non-alcoholic beverages, transport, and miscellaneous goods and services picked up while housing related prices remained subdued. The inflation rate for 2011 is forecast at 0.9 per cent considering the quarterly trend out of the first half of the year. Upward adjustment in the average prices of transportation, restaurants and hotels, alcohol and tobacco, are expected to be mitigated by low inflation in the housing sector. A forecast of inflation for 2011/12 is placed at 1.2 per cent, conditional on the forecast downtrend in global prices of oil and non-oil commodities and soft inflation forecast for the United States.

Employment: The economic downturn had severe impact on labour supply and employment. The total labour force was shrunk by 0.7 per cent in 2010 as work permits for expatriate labour fell by 13.1 per cent largely to the loss of work opportunities in construction, hotels and condominiums, and financial services. Consequently, the unemployment rate went up to 6.7 per cent last year. Work permits fell further by 7.5 per cent in the first half of 2011 compared to the same period a year ago. The forecast employment rate is seen to decline marginally to 6.5 per cent in 2011, mainly as a result of the reduction in expatriate labour force.

Conditionally, on a modest GDP growth in 2012 the unemployment rate is forecast to ease down to 6.2 per cent next year. The unemployment rate for 2011/12 is estimated to be at 6.4 per cent as compared to 6.6 per cent for 2010/11, this current year.

Financial forecast: Madam Speaker, I will move on to highlight the financial forecasts which are contained within the SPS document.

Revenue forecast: Madam Speaker, in times like these cash is king. Without it the Government cannot function and it is important that we maximise all opportunities to earn and preserve cash in order to give the country the resources to ward off any future economic crisis as well as continue to strive for proper national development.

Madam Speaker, I will now highlight the revenue forecast contained in the SPS document. They are based on my Government's commitment to responsible financial management and our determination to leave the financial affairs of this country in a much better condition than we inherited when we were elected in 2009.

As we all know, the Cayman Islands Government earns revenue through a series of user fees and charges rather than the direct taxation method utilised by most countries that I mentioned earlier. This model has been criticised by many throughout the world, but our Administration supports the current structure while acknowledging that there is room for improvement. We must find that improvement. We are committed to improving our revenue collection systems and will continue to refine and develop them. We will enhance enforcement, compliance, and improving the payment

methodologies. The aim is to reduce volatility and actual cash collections.

Madam Speaker, I am going to have to ask for a quick break at this point—five minutes.

The Speaker: We will suspend for five minutes.

Proceedings suspended at 11.49 am

Proceedings resumed at 11.58 am

The Speaker: Proceedings are resumed. Please be seated.

Honourable Premier, please continue.

The Premier, Hon. McKeeva Bush: Thank you, Madam Speaker.

As I was saying, in times like these, cash is king. Without it, the Government cannot function. It is important we maximise all opportunities to earn and preserve cash in order to give the country the resources to ward off any future economic crisis, as well as to continue to strive for proper national development.

Madam Speaker, I will now highlight the revenue forecast contained in the SPS document based on my Government's commitment to respond to what is responsible financial management and our commitment and determination to leave the financial affairs of these Islands in a much better condition than we inherited.

As we all know, Madam Speaker, the Cayman Islands Government earns revenue through a series of user fees and charges rather than the direct taxation method utilised by other nations that I mentioned. This model has been criticised by many. But my Administration supports the current structure, while acknowledging that there is room for improvement. We are committed to improving our revenue collection systems, and we will continue to refine and develop them.

The aim is to reduce volatility in actual cash collection. Madam Speaker, the Government is not proposing to implement any new revenue other than what we announced in the Budget in June over the next three financial years. But we reserve the right to revisit that policy should our economy, and, thus, financial situation, not improve in line with current projections, or if we have some sort of national disaster.

The SPS forecasts that the Government will earn approximately \$560.8 million in 2012/13; \$572.6 million in 2013/14; and \$587.4 million in 2014/15. Madam Speaker, this represents a healthy annual growth rate of 2.3 per cent and is in line with the projected economic growth, as well as the implementation plans of some of the planned major economic developments for the Cayman Islands, such as the cruise port project, Cayman Enterprise City, the Nara-

yana Health University project, or the Dr. Shetty project as it is commonly called; and the ForCayman Investment Alliance.

Operating Expenditure: Turning out our operating expenditure forecast, Madam Speaker, the Government is forecasting operating expenditures to be \$497.7 million in 2012/13, \$502.9 million in 2013/14 and \$508 million in 2014/15. This level of operating expenditure represents a modest 1 per cent annual growth. It will present significant challenges for the Government to stay within these targets.

The challenges arise mainly from three areas of urgent need: improvements to education infrastructure; the need for improved policing and border security; and the implementation of the human rights provisions of the 2009 Constitution Order. These are all very important matters for these Islands, and each could easily justify a significant increase in operating expenditures for the Government agencies charged with their implementation. The Government, however, Madam Speaker, must keep its operating expenditure below its revenues and cannot allow agencies free reign to determine their levels of expenditures or what they believe should be the right levels of expenditure.

As such, we are establishing strict expenditure target markets that each Government agency must adhere to, and we are tasking them to look for cost-efficient and innovative ways of delivering service improvements and meeting demands for service while minimising the cost to the public purse.

Some of this work, Madam Speaker, has already been started. Over the past 18 months the Deputy Governor has led various teams which reviewed government agencies for possible savings, and this important work must continue that he has started, and we must implement effective recommendations and so realise the savings in the shortest possible time. We have to do this, Madam Speaker. This is not finger-pointing or grabbing at somebody's coat-tails, Madam Speaker. We must look at how we do things and see if we can be innovative and change them, give the same service better at lower cost in a different way.

Some of this would be hard for some of the public to grasp, but that has to be done. This is an important part of cutting back on expenditure. Some people do not like it because it changes their ways of how they did things. But that is what we mean by being innovative.

The Operating Surplus: If the Government and public entities are able to achieve the revenue and operating expenditure targets forecast in the SPS, Madam Speaker, it will report operating surpluses of \$23.5 million in 2012/13 (that is the next year), \$31.5 million in 2013/14 and \$42.5 million in 2014/15. Operating surpluses, Madam Speaker, are a vital component of the Government's fiscal strategy as they are essential to build cash reserves and fund capital investment activity. This includes equity investments

into statutory authorities and Government-owned companies.

If the Government cannot generate operating surpluses, it will potentially hamstring the development of the country and put at risk important public services. So that should tell everyone with ears to hear, Madam Speaker, how serious our fiscal discipline and our management innovations have to be. As I said, people will stampede (some of them) against this in all different ways, but it has to be done. The Civil Service head, the Civil Service super-structure will have to push ahead with it unless the elected body will have to assist them in this innovation to public services.

We have agreed with the intent of the Framework for Fiscal Responsibility [FFR] to return to the principles of responsible financial management set out in the Public Management and Finance Law. The SPS is accordingly forecasting the following levels of compliance with the key principles over the forecast period. That is, a net debt ratio . . . The FFR requires that the Government not have a net debt ratio greater than 80 per cent of operating revenues. The SPS is forecasting a net debt ratio of 88.2 per cent in 2012/13, 80.8 per cent in 2013/14 and 71 per cent in 2014/15. This means that the Government would achieve compliance with this ratio during the 2014/15 financial year, something that we broke the law on. That is why we were forced to sign this agreement in the years ending 2008/09, 2009/10.

Debt ratio service: Madam Speaker, the FFR requires that the Government's debt service costs be brought down to not be greater than 10 per cent of operating revenue. The SPS is forecasting a debt service ratio of 10.4 per cent in 2012/13, 10 per cent in 2013/14 and 9.4 per cent in 2014/15. These calculations are done on the basis of existing definitions within the Public Management and Finance Law.

Some people say these are too low for the country. Madam Speaker, I would say this is low, but in the world conditions that we have to operate in, I prefer to keep them at that level or lower to ensure that we can reach them and I do not have to trek to the United Kingdom. I will have to do certain things as it stands, and the new incoming Government will have to do the same thing as it stands so that we will not have to trek to the United Kingdom and say, *Here is what we are doing*. If we can get below that, the better off we will be.

It is low in comparison to countries around the world. But, mark you! Mark you well that those countries have manufacturing possibilities. They have natural resources that we do not have. They have more or less an ensured path of revenue, a revenue stream that we cannot guarantee. Our revenue is dependent on services we provide. We do not have cement that we can produce and even sell. We do not have agriculture-based products that we can export. Even those countries that had it, Madam Speaker, have

fallen into trouble—Jamaica, the rest of the Caribbean, St. Lucia, Trinidad, all of them. They were producing commodities that they could export, and they still fell into trouble, much less poor little Cayman. All we had was seamen. That is what we had. We do not have too many of them nowadays.

So what do we export to gain money from? Services—services that the world and the larger economies, the metropolitan economies, are slamming us daily, and we are under the microscope daily for being a banking centre. Ha! They talk about us, the country, getting a bad name? Because of what we are in, because we compete and we can punch somewhat higher than our weight, above our weight, because we compete with London, because we compete with the other services, because we compete with the United States.

Even some of those territories in the region are jealous—jealous, I say!—of this country and how we have operated and how we have survived! Some in here, in this country, are jealous of how we have survived and how we are still surviving. They are jealous! They are jealous because they see civil servants getting paid salaries that they do not get paid in other countries. They are jealous because politicians get paid what they do not get paid in other countries. They are jealous because our financial services grow and we can produce and give services that they cannot do. They are jealous because we have a standard and we have built up a standard of living comparable to none.

I would say comparable to none. There is no other country that I would live in or stay in for any period of a long time. I go to the United States, and I say to Immigration, *I do not want to stay here*. I go to Canada, and I say, *I will stay a couple of weeks*. In the Caribbean, I love Jamaica—beautiful! I could stay there awhile. Not many other countries throughout the Caribbean, because I do not know them. Beautiful beaches, beautiful—everything about them is beauty, but I cannot stay there.

I can stay here. This is where I was born. This is where I know. So they are jealous, and all of us in this House had better understand that. The quicker we accept that and accept that if we fight, we fight amongst that side and this side and keep it that way. Do not let others get in between where it can destroy us. Because when they destroy me, I am one out of the way. Those that ride a tiger's back, they will be destroyed next. That is how it is. That is the world-stage game. Watch Ghandi. Watch how it played out on the Indian scale. Watch the United States and their territories. Go look at other countries that belong to the United States if you think it is so great.

We here are as the festival song in Jamaica said (I think it is 1963–1964, around there; I was a little boy), *Nowhere better than yard! Nowhere better than yard*. A festival song in Jamaica. Meaning, Madam Speaker, there is no better place than here!

[Inaudible interjection]

The Premier, Hon. McKeeva Bush: That is what it was?

My friend on the other side says it was “Sweet Jamaica.” He knows. He went to school there. He was a little bit older. I was 11 years old or 12 years old then—1967, thereabouts. I will never forget that year. I was in Jamaica that year, the year that the late Sir Donald Sangster died and was buried. *Nowhere better than yard*. We need to keep it that way.

Fight if you want to fight me. But keep it with us! Do not let those others get in between. They are jealous, and the more we say that gets carried on the world stage, and the more that those in power can twist their knives, they will do it. Nowhere—nowhere, I say—as we say in West Bay, *I say, gal, nowhere better than yard. Nowhere better than yard*.

Madam Speaker, debt ratio of 10.4 per cent is low. But we want to get it lower. Then we can walk about with our heads high! Look at Jersey, a Crown dependency of the United Kingdom. Look at it. Yes, they have some things from income that we do not have. But look at it! A million or a billion dollars in general reserves, and no loans—no loans! No loans! We all know, Madam Speaker, how good we feel when we pay off our house, after we take time. My house has been built . . . I celebrated 36 years of marriage on Tuesday. So my house is 35 years and months. I built it nine times—nine times! We know how good we feel when we pay that little bit off, go back and borrow, and pay that little bit off, make it better for our children, give our children a better room, give them air conditioning to sleep in, and give our wives, make them feel happier. We go home, no row, feel good, things are good, no row!

But when we are in debt—when we are in debt—when we are in debt . . . we'll row later, Arden. Sorry, the Member from East End. We'll row later. This is not row time. This is facts time!

When you are in debt your home cannot feel good. At some point you are going to get vexed with each other. At some point you are going to quarrel with each other and say, *You wanted this and I didn't want that*. So, we have to strive to bring down our debt. That is what we are doing here. And I say this today: If the other side defeats this Government, I am determined, and this Government is determined that we are going to leave this country in a better position. Defeat me if you will. Curse me if you want to. Say all manner of evil against me if that suits your day. But I am going to leave this little Cayman Islands Government budget better than I found it, because I have control over that.

I do not have control over who commits crime, or who strives and cusses each other out, who likes that and goes on the blogs and says evil about us. I do not control that. I can control even some of who will come in here and do business. Some of it, Govern-

ment can control. This Government or the next Government, not all of it . . . They can tell you what they want. They know well, because some of them have been there before, that things happen, and you do not know it happens.

Madam Speaker, in this day and age, you get e-mails. You get e-mails, and you do not even know you got an e-mail. And they say you got it, and they say you know. Yes! So, some of the things I will get blamed for; if they are the Government, they will get blamed for; and they do not know and I do not know. That is the world we live in. Yes.

I say I am going to leave this Island in a better financial position than I found it. If the next Government comes in do the same thing, good for them. Good for them.

Cash Reserves: Madam Speaker, cash reserves, then. The new agreement requires that the Government has liquid cash reserves of not less than 25 per cent of forecasted annual operating expenses. So, the Strategic Policy Statement is forecasting cash reserves equivalent to 31 per cent in 2012/13, 30 per cent in 2013/14 and 32 per cent in 2014/15. These comply with the requirements of the FFR.

Capital Expenditure: Under capital expenditure—and this is where it gets sticky, Members. This is where it gets sticky, because all of us want to come back. Oh, ho, ho, do not fool yourself about that. Nobody here wants to get defeated now. No, baby. We want to come back. We want another term. All governments, unless they really reached that stage . . . Me? I am only 56. My friend over there is the same age, just about. He is not ready to go either. He is happy. No. We are not going anywhere yet. They have to take it from us. And I will tell you this: They can sign any petitions that they want; they still do not know the roads in West Bay like I know them. So let them go ahead. No.

When it comes to capital expenditure, this is where it gets sticky for the country. Because, as with operating expenditure, the Government had to make difficult decisions regarding capital expenditure. The choices here range from purchase and construction of assets by ministries and portfolios to equity investments into statutory authorities and government companies. The Government has committed to no additional borrowing over the next three financial years. The monies available for capital expenditure will be restricted to cash generated from operating surpluses. It will therefore be a fraction of that which was spent in previous years.

Over the SPS forecast period, capital investments will be restricted to \$58.9 million in 2012/13, to \$43.6 million in 2013/14 and \$43.6 million in 2014/15. These investments will be directed to support debt servicing obligations in statutory authorities and government companies, and for the development of key pieces of infrastructure. Of course, Madam Speaker, we have to pay. The schools have started, not started

the way we wanted it. We have done some revisions which we think will make it better. But they are there, and we are going to build them and finish them. We have got to pay for the Government Administration Building. We have got to pay for the roads.

Past bills—unpleasant bills—all this, we have to pay for it. How much more do we need? Oh, we can enumerate many, many things that we would like to see Government have. We know in times of national disaster as we have had . . . Cayman Brac last year and in Cayman in 2004. Not even hurricane shelters, Madam Speaker, we have enough. We know that. We thank God that we have built good homes, most of us, and we can stay there. But we still have a large population that have very low-lying ground that have to move to a superstructure of some kind. So, we do need some hurricane shelters. There are innovative ways of trying to get as I am trying to do, so we have to find that.

But what else? Yes, we will need some schools, and we will have to get them as we can afford. We are now finishing primary schools and redoing primary schools in every district. I am not hearing much about that. I have not seen one picture, I believe, in the papers about it. Oh, you see front pages about McKeeva Bush, but they do not say that we are building primary schools in each district. Nah! I am not flamboyant enough. Finishing the schools—the George Hicks and the Clifton Hunter. We have got a new building we have got to pay for. These are causing problems to pay for them, no two ways about it. That is where we are having the problems. But I am talking about the future.

What else? What else? We have to manage what we can afford. That is it! That is it, Madam Speaker. These are the harsh realities that we face. I'm taking some time. Members might feel like I am dwelling too long on it. But it is a fact. You can only do so much with what we have. We take time and say we can only do this because it is all we have. If we borrow more, we get in more trouble. So, the development of some key pieces of infrastructure will be needed in Cayman Brac and the Sister Islands, and here in Grand Cayman. But we are not going to have to go overboard. I can tell anybody that.

Those days are over. They are over, and no matter who wants to come into Government and who wants to run for a seat against Cayman Brac Members or run against the Members here in George Town or West Bay or whatever, these are the . . . Unless we strike oil—and be you sure if we do that, that somebody mightn't come in and take it away from you. We see what happens in the rest of the world when that happens, eh? Oh.

So, be you sure that we have to be more than careful what we say we are going to provide when we are talking to the public. We just have to tell them . . . we just have to tell them. They are going to row about Members' getting paid and this thing and the next

thing. They are going to row about it. Realities are realities.

One of the visions of the future, Madam Speaker . . . and I would like to say I have dealt with the present and the near-term future. I want to turn my vision now to the longer-term future. I see a future in the Cayman Islands, Madam Speaker, in which there is zero public debt. I see a future where there are significant financial reserves for the Government. I see a future where there is zero tolerance to crime and there is zero crime. I see a future where there is full employment. I see a future which is a holistically educated population. I see a future with a nimble, streamlined public sector graced with strategic planning—plan, plan, plan—strategic planning skills and inspired good governance capabilities, good governance all around, in our procurement, whatever we are doing. It is open, a generously enhanced ethos of corporate citizenship and a well-established practice of social enterprise investment.

How are we going to achieve such a vision for the common good, Madam Speaker? As soon as realistic, the Government will start making annual appropriations from revenues to general reserves. We have to build up our general reserves. In other words, the country has to start saving money. We have to save something. We have to save something. We have got to get to that point—bills paid and some money in the bank. We must, in conjunction with the leaders within the business community, the churches, the schools, and the wider public, build effective crime prevention and positive social development programmes. It can be done. Do not tell me that these things have to get out of hand if we all work together hand-in-hand. Crime is hurting our Islands. We need to immediately improve detection and enforcement, as well as increase incentives for persons to provide evidence and information to law enforcement agencies.

We can help our unemployment state and move towards full employment if the projects that Government signalled almost from our first day in office are not unduly hampered—projects such as the cruise port, Cayman Enterprise City, the Narayana Health University (or the Shetty programme or project), the ForCayman Investment Alliance, and our airport construction—the improvements in Cayman Brac and the redevelopment of our airport here. There are no “if’s” and “and’s” about these things. These things here that I have named out, Cruise, Enterprise City, ForCayman Alliance, and the Shetty project, they are going to employ people like they have never been employed in this country.

Over-employment we will have again. I am determined about that. They can squeal and holler and carry on and accuse and say as much as they want. These things are going to put us in good stead when the rest of the world will be suffering.

Cayman must be to that position for when things go down we are strong. We do not have to wor-

ry about unemployment because these things are in place and people are employed. This is what it will do! That is what we want it to do. Employ people, help people’s business, give Government revenue so old people get money. Children go to school free, roads are paved, hospital bills are paid; that is what we are all about. But we cannot do it on talk. We cannot! We cannot do it on complaining. We cannot do it on accusing people. No. No! The things that pay people’s bills must be done.

Blame me if you want. Cuss me if you want. Accuse me if you want. One of these days, as the Bible says, things will be made clearer. It will be made clearer. That I know. It has always been that way. Cuss me today. Try to unseat me today. Talk about my family today. It will be made clearer; that I know. And all will see and who has ears to hear will hear, and those who have eyes to see will see the truth. But now? We have a job to do. That is to ensure that our little children that were here this morning—our grandchildren—our children have a better chance to survive than we did. We did not do so bad, Madam Speaker—troubles and trials, but not so bad. But we want to ensure that.

That is my charge! That is what I have to do. Around me can cuss me. The other side can cuss me. The public can accuse me. The public can point their fingers. Newspapers can write editorials. Perform I must for the good of all. A holistically educated population should be our objective. Combining the benefits of completion of the high schools and ever-expanding University College course offerings . . . and they are doing good, Madam Speaker. The future development of vocational studies, including the Hospitality Training School—which we are going to get . . . It is not going to be like last time, Madam Speaker, where I ran out of time and did not get it done.

It is going to be done. No little Chuckie is going to come along and mess that up. It is going to be done! And, continued access to quality overseas tertiary training and job opportunities for our people here locally. This is what we are going to do! I pray that whoever comes behind me will carry on. Stop cutting down! Stop doing away with what you started, and finish, and improve upon.

We have made alliances with the private sector. Look at what our professional auto mechanics are doing with some mechanics up there. They do not have to go to university, you know. We did not have to build a big building for that! We just had to donate some to the Rotary Club and the rest of them—just donate some money. They are sending them, they are training them!

I say, *God bless that man and wife who are doing that!* The Public Works, long-time stalwart electrician—“Ha-Ha” I call him. Everybody knows him by that name, so everybody knows who I am talking about. Look at what he is doing for training electricians. No big building, just some money to help him,

because that man's interest from day one has been to help people. From sports' write-up . . . We must help them, give them a little money.

What? Do not listen to what the Auditor General or anybody is going to say about that. Let them check it! I am glad when people check me because they can come back and say they found nothing. That is what they will have to say. People must help people like Ha-Ha to train Caymanians to be electricians. The Government will give a little money. We do not need a four-story building to do that with. We do not need 1,000 square feet to do that. No, it costs us a little bit. Just join hands with the private sector, a holistically educated population. That is what we will do.

That is nation-building! That is nation-building. Let them cuss me. Let them do it! We will take care of the population if I help the churches provide after-school programmes. Do you think it does not help? Do you think it does not help when that little church out there has got 60 young people in it after school, three o'clock in the afternoon? Do you think it does not help? It helps. Let them who want to cry *Foul*, cry *Foul*. Some of them do not believe in churches. When I said they were heathens, they cussed me about it. And I said they were atheists, and they cussed me about it. But when you read what they say, and when I listen to what they say and when you see them, I say they are heathen! Worse than that! As we say in West Bay, *Worser!*

They can call me a fool if they want to. They can call me anything they want to. I say that it is better for me to give \$50,000 to a school, or \$100,000 or \$200,000 to a church than to pay \$50,000 a year for a young boy in Northward Prison.

[desk pounding]

The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly: Hear, hear! Hear, hear!

The Premier, Hon. W. McKeeva Bush: That is what I say. If you do not call that practical economics, then call me a fool if you want to. I say . . . I say, *gal*—not you, Madam Speaker—colloquially in West Bay we say, *I say, gal*. I say it is better to give \$50,000 or \$100,000 or \$200,000 to a church to build facilities where they can train children after school in the afternoon, than for me to pay \$50,000 a year for young boys in Northwood Prison or young girls, whatever they are.

So, yes, we will do some of this by a holistically educated population. So we bear in mind that the well-educated person not only develops their intellect and job skills, but nurtures their aesthetic appreciation and their spiritual wellbeing. Do you know what that means? Yes. They will appreciate this here land. They will sit around their tables with their friends and say, *This here, I man born here!* That is what they will say. But if we do not do it, and they walk around, what are

they going to say then? They will have no pride in anything because they feel nobody took an interest in them.

But when Mr. So-and-so from Professional Autos takes them in and trains them to be a mechanic, and when my friend Ha-Ha takes them in, 60 of them, and trains them to be electricians, and when the schools, the churches take them in, in the afternoon and say, *Come, young man. It is better for you to learn about Job and his patience than to learn about Mr. Dope out there. It is better for you to learn about Mr. Luke in the Bible than for you to learn about some of the things that I see being printed and said on CNS. It is better for you, my child, to learn about what your Sunday school teacher is saying to you. Do not care what people are saying about what he is doing. What he is telling you, that is how you learn.* It is better for that to happen, and it is good when it happens, for then our children and grandchildren are going to appreciate us. They are going to appreciate us when we provide for them in that way. They are going . . .

Madam Speaker, the revitalisation of the public sector and the renewed partnership of the private sector—these are compelling, necessary right now. Our ability in Cayman is proven, as I said. Take it, Madam Speaker. Take it from the small grocer, Captain Charlie Kirkconnell, who has made one of the greatest conglomerates in this country from a small grocery store. How many more? Take it from the Scotts who had nothing, literally nothing. Their father struggled. Look at what they made. Take it from those teachers, Madam Speaker, grandparents some of them, who gave them a pan with tea in the morning and a piece of Johnnycake, and they went and trained and they became our solid teachers. Take it from them!

Take it from our seamen, who went from messmen to master mariners! Cayman has proven our ability to guide some of the largest ships across some of the widest oceans. I am a messman—from a little boy kicking rock stones in the street to some master mariner engineer or a master mariner steering the ship.

They say that we are dead, that we do not have a future. *Hurt me for them!* Another West Bay saying, Madam Speaker—*hurt me for them*. We got opportunity. We got possibility. Those who are saying not, they are not telling the truth. They are not telling the truth. They are only trying to get to stand where I am standing. Those are the politicians, and those on the outside, it is jealousy! Jealousy, pure jealousy! They are not here and they are trying to get here and they will say anything to get here. Whether on that side or on this side, they will say anything.

This country, our people have proven our ability in these Islands. They stand now to apply it to a development model for the twenty-first century. We cannot do it how we used to. We cannot. New changes! Oh, Madam Speaker, same strength, same inner

strength if we help them—same inner strength, different ways of doing it, but same inner strength.

So accordingly, Madam Speaker, with that, I ask that all honourable Members of this honourable Assembly support the Government Motion to grant approval for the Strategic Policy Statement that charts a responsible course for financial management of the Cayman Islands through times of austerity. Madam Speaker, I believe I have provided the reality of the present austere times, times which require Government to apply strict fiscal discipline in presenting the Strategic Policy Statement that has been tabled.

I have also presented my vision for the future. I have tried, Madam Speaker, not to put it in the words of an economist. I have tried to tell people hard-core facts that each of us lives in our own yard, that we meet our neighbours and we know what they go through, and we know what you go through or what the Clerk goes through and what the women of this Island go through and what our parents go through in trying to raise our children, and grandparents. That is the way I am trying to portray. I have not tried to mince words to make it pretty. No. The facts are what they are.

So, my vision for the future, one that is filled with hope . . . Madam Speaker, I said this just yesterday to 1,400, the biggest insurance conference in the world—Cayman has turned it now—bigger than the one in Vermont in the United States, that hosts a couple of hundred people. Cayman's was 1,200 to 1,400 people yesterday, the biggest captive insurance conference. I said to them, in wishing them well and a blessed Christmas season, I said, *What is my feeling this Christmas season? Mixed with some sadness, what is it? It is a thrill of hope. Christmas cards say it well—"a thrill of hope, the weary world rejoices, for yonder breaks a new and glorious morn!"*

That is my hope. Hope—not new things for Christmas. Not a new shirt, no new shoes, no new coat. I cannot eat much. I see plenty food and I like it and I cannot eat it. But a thrill of hope that God Almighty is going to help this land. We are going to get out of this mess that we are in. While we have it good, we still feel like it is a mess, and so we say so. We are going to make it because we are going to do the right thing. Do the right thing!

So, my vision is one that is filled with hope and promise, but one which I say clearly indicates that the Government, the wider public sector and the private sector need to act in an effective partnership to better our present economic and financial position. We must take action and do it in a harmonised way under the grace of our good Lord to better our Islands' economy and to ensure that Cayman continues to be a most desirable place to live and move and have our being.

"To God be the glory! Great things He has done." He has done it before; He will do it again. Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Premier.

I think this is a good time to take the lunch break before we continue the debate. I would like everybody back in here by 2.30, please, in your seats, so that we can get on with the business of the House today.

Proceedings suspended at 12.50 pm

Proceedings resumed at 3.19 pm

The Speaker: Proceedings are resumed; please be seated.

Deputy Premier.

ADJOURNMENT

The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly: Thank you, Madam Speaker.

Madam Speaker, I beg to move a motion for the Adjournment of the Honourable House until 10.00 am tomorrow.

The Speaker: Thank you.

The question is that the Honourable House do adjourn until 10.00 am tomorrow. All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it. The House is accordingly adjourned until 10.00 am tomorrow morning.

At 3.19 pm the House adjourned until 10.00 am, Friday, 2 December 2011.

