

OFFICIAL HANSARD REPORT
STATE OPENING AND BUDGET MEETING
2011/12 SESSION
WEDNESDAY
15 JUNE 2011
3.23 PM
Third Sitting

The Speaker: I call on the Honourable Leader of the Opposition, the Third Elected Member for George Town to say Prayers today.

PRAYERS

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: 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. Amen.

The Speaker: Good afternoon everyone.
Please be seated.
Proceedings are resumed.

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

House Visitors

The Speaker: I have no messages or announcements. But I would, at this time, like to recognise the visitors in our VIP Gallery, Mrs. Penny Palfrey, Mr. Charles Whittaker, both of whom have brought considerable glory to the Cayman Islands in the last few days. And I would like the Legislative Assembly's thanks and congratulations recorded now. The Premier will be speaking later on the subject.

**PRESENTATION OF PAPERS
AND OF REPORTS**

**Annual Plan and Estimates for the Government of
the Cayman Islands for the Financial Year ended
30 June 2010**

**Annual Budget Statements from Ministries and
Portfolios for the Financial Year ended 30 June
2012**

**Purchase Agreements for Statutory Authorities,
Government Companies and Non-governmental
Output Suppliers for the Financial Year ended 30
June 2012**

**Ownership Agreements for Statutory Authorities
and a Government Companies for the Financial
Year ended 30 June 2012**

The Speaker: Honourable Premier.

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

Madam Speaker, I beg to lay on the Table of this honourable House the following documents in respect of the Government's financial year that will end on 30 June 2012: The Annual Plan and Estimates; the Annual Budget Statements for Ministries and Portfolios; the Purchase Agreements for Statutory Authorities, Government owned Companies and Non-governmental Output Suppliers, and Ownership Agreements for Statutory Authorities and Government Companies.

The Speaker: So ordered.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, there is a procedural issue that we need to resolve. I think it can be resolved quite simply by suspending the relevant Standing Order, if I might refer you.

Madam Speaker, you will remember that on Friday the Premier presented the Appropriation Bill. Well, at the time he did not have the Budget documents, so they were not available. Standing Order 63(1) provides that: “**Any Bill containing the estimated financial requirements for expenditure on all the services of the Government for the current or succeeding financial year shall be known as an Appropriation Bill. Estimates containing the details of those financial requirements shall be presented in accordance with Standing Order 18 (Presentation of Papers), immediately before the presentation and first reading of the Bill.**”

Now, Standing Order 18 is the Standing Order that deals with Presentation of Papers, and we can look at that. But the point here, Madam Speaker, is that the Standing Order requires . . . Now, we cannot undo what has been done, so I would suggest, Madam Speaker, that we simply suspend Standing Order 63(1) so we do not get into any more procedural difficulties.

[pause]

The Premier, Hon. W. McKeever Bush: Madam Speaker, I—

The Speaker: Mr. Premier.

Suspension of Standing Order 63(1)

The Premier, Hon. W. McKeever Bush: —thought we had crossed this on Friday when the House gave us permission to move forward. But out of an abundance of caution and any more wrangling and jangling, under Standing Order 83 I move the suspension of Standing Order 63(1).

[inaudible interjection]

The Premier, Hon. W. McKeever Bush: That would have been Standing Order 86, Madam Speaker.

The Speaker: The question is that Standing Order 63(1) be suspended to allow for the presentation of the papers associated with the Appropriation Bill. All those in favour, please say Aye. Those against No.

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 63(1) suspended.

The Speaker: Shall we proceed?

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: I have notice of three statements by the Honourable Premier. The first is in recognition of Mrs. Penny Palfrey and Mr. Charles Whittaker.

The Premier, Hon. W. McKeever Bush: Madam Speaker, before I make those statements, just to say that when I delivered my Budget Address on Friday, which represented my opening contribution to the Second Reading of the Appropriation Bill for the 2011/12 Fiscal Year, the Budget Address contained details that were consistent with the Budget documents that have just been laid on the Table of this honourable House. I just wanted to make that absolutely clear to Members, Madam Speaker.

Recognition of Mrs. Penny Palfrey and Mr. Charles Whittaker

The Premier, Hon. W. McKeever Bush: Madam Speaker, thank you very much.

Madam Speaker, I wish on behalf of the Cabinet, especially the Minister of Sports, and all Members of this honourable House, to use the forum of this Honourable House to draw attention to two notable achievements over this past weekend, both in the sporting world, but both resonating far beyond.

Madam Speaker, I refer to the record-setting solo unassisted open-water swim, referred to as “Bridging the Cayman Islands”, by Mrs. Penny Palfrey. For some 40 hours and 41 minutes Mrs. Palfrey used her deepest physical and mental resources to complete the 67.25 mile distance between Little Cayman and the East End of Grand Cayman. Madam Speaker, this is a giant step or a giant swim for these Islands and it has to be not just a sportsperson but a very brave sportsperson to swim that distance both day and night, never mind having to be quite fit, but just the sheer bravery to swim that distance, even in the night.

This almost superhuman effort resulted in her breaking the previous record of 63 miles, an accomplishment which has drawn wide international attention, both to her as a swimmer, and to the Cayman Islands. As people have known for years, many wonderful things happen in the waters of our Cayman Islands.

Madam Speaker, the supporting team behind Mrs. Palfrey is to be commended for helping to make this possible. I am told that outstanding support came from a number of sources, including her husband Chris; the Flowers Group of Companies; and Steven

Munatones, of the International Marathon Swimming Hall of Fame, amongst many other achievements.

I am proud to say that the Department of Tourism, Cayman Airways Limited, the Ministry of Sports, Red Sail Sports, Caribbean Marine Services, Harbour House and Radio Cayman provided valuable sponsorship and support in kind. They have also supported the upcoming Flowers Sea Swim, an event that has grown quite large on the international ocean swimming calendar, and which occurs this weekend.

We take this opportunity to congratulate the Flowers family, particularly my good friend, Mr. Frankie Flowers and two children; of course, the whole family, as I said, for their continued hard work and dedication, in managing the swim. As well, Madam Speaker, I take this opportunity to congratulate that family on the significant contribution that they have made to our country over the years. We are fortunate to have them as citizens, and so we thank them and we thank and laud at this time the contribution of Mrs. Palfrey.

Madam Speaker, the second event that I wish to highlight for this past weekend is the victory by our very own Charles Whittaker, Charles the "Killer Whittaker" who won two belts, the World Boxing Council (WBC) Continental Junior Middleweight, and the US-BA Junior Middleweight titles.

Boxing is also a solo sport, and as such also demands that one pull on ones reserves of courage and stamina, as well as the best use of one's training and experience, to not just keep going, but to overcome.

I have known Charles from [when] he was a little boy, Madam Speaker, and every minute that I see him I have to think back on where he has come from; raised as he was by his mother and laying the kind of path by his own character that he has. And so we congratulate Charles and wish him continued success for his own career sake, but also for the sake of the young men he might inspire to find discipline ways and means to handle themselves.

I should say, Madam Speaker, that both, as you have mentioned, are here in the visitor Gallery in the VIP section of this honourable House and we took (although you have done it already) thank them for being here.

Consideration is being given to the conferral of suitable Awards on both Mrs. Penny Palfrey and Mr. Charles Whittaker in the order of Mrs. Palfrey to be an honorary member of the Order of the Cayman Islands, and Mr. Charles Whittaker to be a member. In recognition of their respective achievements this honourable House will, of course know when that happens. But I give notice at this time to make that recommendation, and I say make the recommendation because, as they are the Premier's awards, there is a committee that oversees the order of the Cayman Islands. And so, as the chancellor, I would have to make

that recommendation. But I can guarantee this honourable House that it will be made.

Again, I want to thank both champions, Mrs. Palfrey who is a visitor but perhaps she too will take up residence in our good Island, and our own Charles Whittaker who we are justly proud of. On behalf of my colleagues in the district of West Bay where he hails from, and in particular, next door where he grew up by me, we offer our sincere congratulations and wish him well.

Thank you, Madam Speaker.

The Speaker: Thank you.

The Premier, Hon. W. McKeever Bush: Madam Speaker, I would ask that you allow Members to stand and offer a round of applaud to both of them.

The Speaker: Honourable Members, if you so wish.

[applause]

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

The Speaker: Thank you, Mr. Premier.

Ministerial Memorandum of Understanding with China Harbour Engineering Company

The Premier, Hon. W. McKeever Bush: Madam Speaker, my second statement has to do with the Port.

Madam Speaker, I am pleased to advise this Honourable House that on Monday, June 13, 2011, on behalf of the Government of the Cayman Islands, I signed a Ministerial Memorandum of Understanding (MOU) with China Harbour Engineering Company to undertake the construction of three projects of great importance to the development of our country. These are:

- to design and build, operate cruise ship docking and related facilities in George Town,
- to renovate and expand the Spotts Jetty; and
- to develop a cruise ship pier at The Cayman Turtle Farm.

Our joint objective, together with the Port Authority of the Cayman Islands, is to work towards signing a contract before the end of November this year. China Harbour Engineering Company will provide the financing and technical designs for these projects. They will work closely with the Government and the Port Authority on appropriate development plans for the reclaimed upland area in George Town. These large scale construction projects will provide a wide scope for local employment and delivery of services. There will also be opportunity for local investors to participate in the George Town Port enhancement project, which is the largest of the three (3) [projects].

Madam Speaker, honourable Members will recall that I announced in the Budget Address on Friday that it is my intention to see to it that an appropriate company vehicle is formed in order for Caymanian people to buy shares into that project and indeed any other project in these Islands that we will have to do.

And I gave another instance, the sewerage project as, Madam Speaker, when I examined fully the financial impact between 30 and 49 years, there is something close to 500 to 700 and something million dollars and the country can save money and the Caymanian people can have an ownership in it, as we have, Madam Speaker, been not having an equity partnership of business in this country and these are good opportunities for that to happen.

Subject to appropriate feasibility studies, including the financial review and engineering design, Madam Speaker, as I said, there will also be opportunity for local investors to participate. The financial review and engineering studies must and will take proper account of the pertinent social, business, and environmental considerations.

The Tourism and Development side of my Ministry, together with the Planning Department, has made good progress on the plans for Spotts. This will facilitate an accelerated development, with a start expected to be made in July. A local firm, Office for Architecture and Design (OA&D), has already been retained by China Harbour as Project Managers for the Spotts Jetty rehabilitation and upgrading works.

The Government and Port Authority welcome China Harbour Engineering Company to the Cayman Islands, and look forward to a sound and professional relationship with them, with outcomes that will be of lasting benefit to the people of the Cayman Islands.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker.

The Speaker: Yes, Honourable Leader of the Opposition.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: With your kind permission I would like to ask the Premier two short questions.

The Premier, Hon. W. McKeever Bush: Madam Speaker, I do have another statement and he might want to wait on that; I don't know.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: It relates to the same matter?

The Premier, Hon. W. McKeever Bush: No, not to do with that matter.

You—

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: I'd rather ask it now.

[inaudible interjection]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Just two short questions, Madam—

The Speaker: Yes.

Short Questions [Standing Order 30(2)]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: I'll ask them both at the same time and the Minister can respond.

One is by way of clarification, Madam Speaker. We thought on this side that we heard the Premier say that China Harbour Engineering Company would undertake to design and build the cruise ship docking and related facilities in George Town and operate them. That's not what is in the statement that I have, but we are almost certain that we heard the Premier say "operate." And I just wanted to clarify whether that was a mistake or whether that is, in fact, part of the arrangement. That's the first question.

The second is simply: What was the process used to select China Harbour Engineering Company? And on what basis were they chosen?

The Speaker: Honourable Premier.

The Premier, Hon. W. McKeever Bush: Madam Speaker, I do not think the word "operate" was in there but I put in the word "operate" as, Madam Speaker, we can imagine that a company making an investment of \$300 million dollars is going to want to be part of a management committee which will consist of the Port, consist of Government and consist of themselves to safeguard their investment. We would not expect for someone to invest any kind of money and just leave it out.

Of course, as I said, now the Port Authority and Government and China Harbour will sit down and work out the arrangements for a contract. So, Madam Speaker, yes, they will be part of the management committee that operates the Port.

On the process, Madam Speaker, we went through a process to get two other ones that failed. And this one, Madam Speaker, is a fact that I am signing as a Minister. And Central Tenders will examine the proposal. Signing an MOU (Memorandum of Understanding), a Ministerial MOU.

The Speaker: There was another question?

The Premier, Hon. W. McKeever Bush: Was it? He only had two.

The Speaker: Two? All right.
Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

Madam Speaker, I wonder if the Premier can tell us in the interest of clarity, whether this China Harbour Engineering Company is the same one which is currently being investigated by the Contractor General of Jamaica on some road-building misappropriation or the likes in Jamaica.

The Premier, Hon. W. McKeever Bush: I don't know, Madam Speaker. I understand that they build all over the world. I know they are doing business in Jamaica.

They are doing business all over the Caribbean, and I do not know that they are being investigated any where. If the Member has that information he can pass it on. But investigations are investigations. At the end of the time is when we see whether they have done something wrong or not.

Mr. V. Arden McLean: One last question, Madam Speaker, if I may.

Madam Speaker, I have information to that effect. However, I wonder if on a different question the Premier can tell us if this is a China company or a Chinese company. By that I mean, Madam Speaker, whether this is the Chinese Government that this company is for. Or it is a set of Chinese nationals [in the] private sector.

The Premier, Hon. W. McKeever Bush: My understanding is, Madam Speaker, that they are a state-owned company.

The Speaker: We have—

Mr. V. Arden McLean: Madam Speaker, last question Ma'am.

The Speaker: It is the last question because we are not going to debate on this.

Mr. V. Arden McLean: Thank you. We will debate it later.

Madam Speaker, I wonder if the Premier can tell us under what authority this country can negotiate with a communist country.

The Premier, Hon. W. McKeever Bush: Madam Speaker, I do not know who is communist from who is not. I know I see some very bad people often around, but I do not know who is communist and who is not.

We will do business with good business people; people who can fulfill their obligations and who will do it in a legal manner.

The Speaker: Thank you, Mr. Premier.

Now can we proceed with the statement?

Investment Alliance with Dart Cayman Islands

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

Madam Speaker, the UDP Government was elected to Office in May 2009 in the midst of one of the worst global recessions in modern history. The Cayman Islands was ill-prepared to face the local impact of the world economic fallout, and the local economy was hard-hit. The Government inherited significant budget deficits, commitments for capital expenditure which was not properly provided for, outstanding unpaid debts, large recurring public expenditure to maintain the Civil Service, buildings and other commitments, a declining revenue base and a world economy in turmoil to name the most serious of the challenges which the Government faced.

Since taking Office in May 2009, the Elected Government has been occupied cleaning up the fiscal mess it inherited and fighting and working to protect the vulnerable economy from the severe global recession engulfing the world.

From June 2009 through September 2010, the Government worked diligently to improve and correct the country's international image, negotiated with the new Government in the United Kingdom to allow the local Government in Cayman the latitude to extend our credit facilities in order to work our way out of the economic problems which we encountered.

The Government made changes to the implementation of policies to assist businesses, agreed for the establishment of a major medical tourism facility; restructured government loans, took steps to reverse the decline in the Tourism industry despite difficult world economic conditions, encouraged foreign investment and sought to refinance, by one method or the other, the various capital projects such as the gigantic schools and the Government building in order to release money into the Government which has been invested in these facilities.

Further, Madam Speaker, as the Government, we cut the Budget, monitored our expenditure, and did everything possible to limit the cuts to the jobs and salaries of civil servants.

Up until 2010, the local population had still been somewhat insulated from the severity of negative impacts experienced elsewhere though, as predicted, summer of 2010 saw the full weight of the economic crisis bear down on the people of the Cayman Islands. Unemployment is a critical matter for this country. Investment has been uncertain and unpredictable, including in the financial services area, tourism area and real estate development.

The Government cannot borrow funds for needed projects as dictated by the Foreign and Commonwealth Office (FCO) for the first in 180-odd years of parliamentary governance. We cannot borrow for needed projects, such as in schools and roads, and other needed infrastructure that is. And investors the world over are still exercising caution, waiting and watching before committing to large projects.

Consistent throughout all of this is our Government's commitment to a policy of reviving the country's economic activity by encouraging investment, creating jobs, enhancing opportunities for our people and creating opportunities for small businesses to be able to participate in the revival of our economy. Essentially, Madam Speaker, to create sustainable economic growth for our children and grand children, in order so to do, we must bear in mind the changing global conditions, our history which created our success, the mistakes of the past and the suffering which this has caused to our people, and the dangers which our people face if this is not reversed.

While the Government is expecting its finances to improve over the course of the three-year plan agreed with the Foreign and Commonwealth Office, as this Budget also shows, it does not intend to rely solely on growth in the international economies as the basis for growth in the local Cayman Islands' economy.

The strategy for economies worldwide, which are fighting their way out of the recession, is to focus on rebalancing their internal and external financial positions. The theme of the Government's 2010/11 Budget Address delivered by the Premier was partnership for a . . . Madam Speaker, let me just make sure that I get the right title.

That theme was, "Navigating Toward Prosperity," which echoes the affirmation and reaffirms also the paradigm of this Government since it won the elections in 2009.

In the Address Government suggested that there must be a new emphasis on the public/private partnership to drive the economic recovery. In November 2010 the Government outlined a series of broad areas in which it would seek to create economic stimulus, and this partnership agreement with the Dart Company reflects what we believe to be true; that we must work hand in hand with the private sector to ensure our future prosperity.

Madam Speaker, before I go on I should say that the 2010/2011 Budget Address was entitled "Partnership for Recovery." And the 2011/2012 Budget Address "Navigating Towards Prosperity."

We believe, Madam Speaker, that the best strategy for achieving sustainable growth in the Cayman Islands' economy is to inspire the private sector to do what the private sector does best—create wealth and generate jobs. This partnership agreement gives incentives to the private sector to provide a large and immediate economic stimulus; one that creates jobs, helps create wealth through investments and economic activity across several industries utilising both small and large businesses.

It is in this vein that the Government, as early as 2009, met with the financial industry and local developers to strategise and formulate public/private partnerships to achieve a better way forward for the economy and the people of these Islands. Further-

more, this partnership is a true partnership. We have the private sector helping us fund and deliver much needed national infrastructure, facilities and social and educational programmes, without incurring debt or obligation to repay now or in the future.

For many years now, Madam Speaker, the Dart Group of companies has very significantly contributed to the development and economic growth of our country. In fact, the total economic impact to the Cayman Islands by their Camana Bay project has been estimated at approximately US\$826 million, and its construction has generated more than 1,000 jobs since it began in 2005. In addition, they have consistently demonstrated through their charitable activities and contributions—which exceeded \$30 million in the last decade alone—that they are committed to helping make Cayman a better place for this and future generations. We are proud of the partnership agreement.

When the Dart Group first approached the Government, it was to discuss a much narrower proposal, one that focused solely on the real estate development on Camana Bay and the unresolved issue of the George Town landfill. In the genuine spirit of true partnership we expanded the discussions to look at and evaluate the pressing needs of the country and analysed where we could work together to solve urgent national challenges.

The result is an investment alliance, one that demonstrates our shared commitment to the economic turnaround of the Cayman Islands, ensuring the country has modern infrastructure needs and that our society is growing with healthy, vibrant and diverse social communities across these three Islands. Why are we doing this? Madam Speaker, to revitalise our struggling economy and turn the country around; we are doing this for Cayman.

In entering the "ForCayman Investment Alliance" the Government, in cooperation with the Dart Cayman Islands Group, intends to accomplish the following specific objectives, some short-term and others with a much longer term perspective. These specific objectives are:

A. Create an immediate economic stimulus to the local economy, led by the creation of jobs for Caymanians in the short and medium term across a number of sectors starting with the road works and construction industries. Conservatives estimates indicate that 500 to 600 jobs will be directly created and another 335 to 375 jobs indirectly created as a result of this investment during the next five years.

B. Redevelop, refurbish and reactivate the closed and deteriorating tourist accommodation facilities whereby this will be redeveloped into a four star thriving new resort for visitors and residents to enjoy. (Madam Speaker, when I say 'this' that is the old Marriott Hotel site.)

C. Stimulate the construction and operation of at least one and possibly two or more hotels across Grand Cayman which will be brand aligned and help

to further enhance the tourist product to retain the destinations leadership position in the Caribbean.

D. Masterplan, fund and deliver a number of needed infrastructure projects, highlights of which include-

- a) Road works, with the priority being the northern extension of the Esterley Tibbetts Highway from its current end point at Raleigh Quay Road (by the former Indies Suites) to Batabano Road in West Bay, as has been gazetted. That will contribute some 26 acres of land to government to create these roads at no cost to government, no outlay to government. The value of this infrastructure solution is approximately \$26 million.
 - b) A modern solid waste management facility at a new site on Grand Cayman—the details of which will be discussed and finalised with the technical teams in the respective government departments and the Ministry of Works, and Dart. The value of this solution is estimated at approximately \$26.5 million.
 - c) Conduct site investigations, then recommend a programme of remediation, closure and aftercare management of the existing George Town Landfill (GTLF), the details of which will be discussed and finalised with the technical teams in the respective government departments and the Ministry of Works, and Dart. The estimated value of that solution is US\$32.5 million and Dart is prepared to be responsible for the aftercare and management for up to 20 years.
- E. Provide government with:
- a) Some 150 acres of sensitive mangrove wetlands in the centre of Grand Cayman.
 - b) Increasing the acreage and improving the Barkers National Park, including transferring ownership of Sea Pond to Government, plus ownership of the property at the head of Barkers.
 - c) 110 acres for the waste management facility.
 - d) Create five parks in Bodden Town;
 - e) Some 26 acres for the Esterley Tibbetts highway extension to Batabano Road.
 - f) An additional 20 acres on Batabano Road in the district of West Bay to be used for education community and sport facilities. Of this Government has decided to give five acres to Grace Christian Academy to build a new elementary and high school which will assist with

the provision of high school facilities in the district of West Bay.

As we know, Madam Speaker, we had to stop the West Bay Beulah Smith High School, and all that is down there now is a big bunch of marl flooding away everybody. [They] took down the few little bit of facilities that we had and now [DIGITAL SKIP-INAUDIBLE] but marl water when it rains.

- g) Enhance and expand the Public Beach on West Bay Road with improved public facilities such as play areas, cabanas, outdoor grilling and parking.

We have also secured an additional area of public beach frontage which will be used as a public beach with parking in the general vicinity of the Public Beach north to the Yacht Club road. So, we will end up with a bigger public beach with facilities on the landside on the current site, and facilities for children's playground, hopefully things like carousels and such things that we do not currently have in the Island. But there will be an enhanced public beach and that is something I am most supportive of.

F. Secure and deploy \$18 million in funding across all districts for:

- a) education infrastructure and programmes (that is, as an example, Bodden Town will be benefiting from a significant expansion and facilities enhancement for the two primary schools, Savannah and Bodden Town;
- b) housing;
- c) community development and creation of new parks; and
- d) human capital development (that is, school scholarships, grants for technical vocational education and training or TVET, as it is now known, and employer based apprenticeship programmes).

[G.] To stimulate the Cayman Islands economy with anticipated economic benefit of Dart's direct investment exceeding US\$3 billion over the next 25 to 30 years of which more than \$200 million will be spent in the next two years alone, and an estimated US\$415 million will be spent in the next five years.

[H.] Further, with this level of incremental investment we expect to see an increase in government revenues through the stimulated effect of Dart releasing this amount of capital in the local economy.

As you can see, Madam Speaker, we have negotiated a strong package of investments in the infrastructure, real estate development and the education, housing and community needs of the country. For this reason, we are calling this partnership the "ForCayman Investment Alliance". Naturally, to get

this much for the country we had to be willing to provide Dart with certain incentives and assurances. There were four main categories of incentives:

1. Economic incentives to stimulate real estate development in the hotel, residential and commercial categories.
2. Road works and road relocation.
3. Waste management solutions;
4. A number of incentives which are essentially access through government facilitating regulatory changes and approvals through existing government departments, agencies and statutory authorities.

Economic Incentives: Let's deal with economic incentives:

Duty waivers: Dart will be allowed to recover up to a net present value of up to \$45 million in duty concessions and waivers. If they reach this cap then we are prepared to extend 50 per cent discounts on duty for a period of 15 years. To be clear, Madam Speaker, they are only able to avail themselves of these duty waivers and reductions if they spend even more money to start their development projects.

Other fee reductions and waivers: Planning application fees and infrastructure fees and certain tourism tax abatements directly related to the new hotels, including the old Marriott one.

And I want to say, Madam Speaker, when we are questioned about this amount over that amount of years, that people will ask us what we are getting, and I named those out. But, if they do nothing we do not lose anything. We do not give away anything, but we do not get any revenue either. So, nothing from nothing, is nothing! So, before they start crying out there—as I hear one mumbling—about us giving away duty concessions, if Dart does not spend the money here there will be no duty accruing and nothing to collect.

[inaudible interjection]

The Speaker: Order please.

The Premier, Hon. W. McKeever Bush: Madam Speaker, some people will say anything. Mouth says anything when they learn to talk and some people have big ones.

[inaudible interjection]

The Premier, Hon. W. McKeever Bush: Madam Speaker—

The Speaker: Order!

The Premier, Hon. W. McKeever Bush: —incentivize to spend their money in the short-term, we get the benefit of other government revenues, and the simulative economic effect of their investments will multiple

through the local economy. But sometimes, Madam Speaker, even certain Members do not understand economics. They do not know that. I am not going to take any time to try and explain now at this point.

The Speaker: Please continue.

The Premier, Hon. W. McKeever Bush: Madam Speaker, it behoves me, though, to say that. Anyway, I will bow to your ruling and won't go in there.

Road Works and Road Relocation: We agreed to facilitate the relocation of approximately 2,500 feet of West Bay Road (between Coutts and the Yacht Club)—not the entire West Bay road.

Madam Speaker, let me repeat that: The West Bay Road that will be relocated lies between Coutts and the Yacht Club, not the entire West Bay Road, as has been talked about by people or the false propaganda spread on it, as seems to be what is going on and on in this country today. False propaganda—propaganda just for the sake of propaganda.

This relocation was agreed to for two main reasons: First, to address the fact that parcel with the road dividing the beach and landside, as it does, makes it extremely difficult to operate a viable hotel. The second reason is that this road is vulnerable to the ravages of bad weather as it floods and it can become impassable blocked by sand and other debris. Hurricane Ivan passed to the southeast of us and that is what it did to that road. We can only imagine, Madam Speaker, what would have happened if it passed southwest of us.

Madam Speaker, certainly I remember, and I take the time out to say, the Monday morning after the hurricane, after I went and checked the district, checked my aunt and tried to get to where the Governor was at Central Command at the Fire Station, that was the section of road that was impassable. You could not get across, so we had to go through the swamp. We had to come through all the swamp to get up somewhere about where I think Camana Bay lies, somewhere in that region, to get out on the main road. But that road there, that piece, was impassable, you could not pass. And it took me one hour and a half. That is what I am always scared of, Madam Speaker.

I appreciate that some people say it is a nice view; I don't know what they are seeing sometimes because all you can see is cocoplum bush and buildings. One who travels this road every day certainly has come to cherish it. For forty years I have gone back and forth, up and down twice a day, or more than that. However, Madam Speaker, this view is not protected today. Any landowner, the previous two owners or current owners, can put up a structure or structures on the landside with Planning permission and can effectively block that view, as has happened all the way across West Bay Road.

But you see everybody says nobody must tell them what to sell. They must have their right. It is their

business. They must sell their land; they must do what they want with it. But when they sell it then they want to come and jump on government expecting government to stop somebody from doing something with it. That's why they sold it in the first instance. But we cannot run the country like that, Madam Speaker. We cannot run Government like that.

People will have their way of selling their property, be it a company or land. That is what this democracy believes in and that is what we practice. But the point that I am making is that the view could disappear tomorrow even if the road did not move.

There are those who complain that this will help Dart's land appreciate. So it will. The surrounding land, of course, will appreciate also, and that is good for all landowners. However, if we choose to help people save their homes, putting food on the table and keeping Caymanian companies opened, we choose to create jobs and help get people back on their feet. We have to do something.

To be clear—from Coutts and Company to just before you reach the Yacht Club is the most vulnerable stretch on the West Bay Road. And I want to emphasise here, Madam Speaker, people will not lose access to the beach. That beach will still be accessible to any Caymanian, anybody who wants to be in on it. Their access is protected, and my Government has secured more beach, more facilities, a park and related amenities. This is good for Cayman!

Waste Management Solutions: As it relates to the George Town landfill remediation, closure and aftercare, we agreed to allow Dart to take title of the lands after the remediation and closing. Once the aftercare and monitoring determined is safe, Dart will remediate the George Town landfill and make available a large park and open area for public and community use here in George Town.

Dart has made it clear, it is not interested in the waste-to-energy, nor in operating any aspect of the new waste facilities. They are simply procuring the land—master planning, funding and delivering phase one of the new facilities to Government.

Madam Speaker, this alone is a tremendous milestone to get someone committed where they are going to do something about that disgrace and that health hazard up there called the George Town dump. How much more do we want to see of the problems that exist there? We should be happy that we have somebody here in this country that will go and help us fix the problem. From the 1970s there were reports saying that that was causing sickness in this country and they took it and hid the report. They hid it!

Regulatory facilitation through existing government departments, agencies and statutory authorities: Under this category, Madam Speaker, some of the incentives and facilitation we have committed to Dart include the following:

- Land exchange—Dart will provide Government with some 150 acres of land in the sen-

sitive mangrove wetlands in the centre of Grand Cayman in exchange for rezoning certain lands at the Camana Bay site.

- Approximately 72 acres from Vista Norte will be exchanged with Dart for equal amount of acreage in Barkers;
- Undertaking the rezoning of lands to allow the citing of the waste management facility and other developments in other land holdings, such as Starfish Point and certain parcels in the newly acquired lands.

With resolution of the George Town landfill, Dart will proceed more quickly with the residential build-out and they expect faster sales of the residential offering which is against stimulating our economy. Furthermore, raw land and developed land values will increase as will the land of adjacent landowners.

As it relates to the road relocation, the larger land parcels leads to increase flexibility to redesign and build a new tourism resort of the former Courtyard Marriott. Yes, there will be appreciation of land value as a result of the larger land parcel, but nevertheless, Cayman is getting something back for that.

Direct benefits to Dart Enterprises—Economic Incentives: It creates a more level playing field in the developers' cost structure with government fees with similar concessions given to other developers. The incentives given to Dragon Bay by the PPM Government in January or February 2009—which no one knew anything about, there was no talk about it, there was no discussion about it, and, Madam Speaker, we did not know anything about it even as the Opposition until I went into Government and found the programme.

There is nothing wrong with doing that kind of concession. There is nothing wrong with that, there is nothing's wrong with this. We have to do something to stimulate the country. And we are now telling the country what we are doing.

Timing, Madam Speaker, they will proceed now rather than wait several years for improved economic conditions, and it indicates a good-faith commitment from Government to stimulate and support the development.

Regulatory facilitation: Time efficiencies—certain government processes are time consuming, Madam Speaker, and can prolong decisions which in turn delay investment activation. The bureaucratic delays are costly, often delaying projects which can create jobs, work for businesses and revenues for the public sector.

The rezoning of lands, Madam Speaker, relocation of West Bay Road in front of former Marriott Hotel increases the chances the hotel will be successful once redeveloped; create jobs and bring more people here; time efficiencies and good-faith assistance with standard permitting and other regulatory processes.

Direct benefits to the country: The economic stimulus:

- In the next two to five years, benefits of accelerated investment—jobs, activity for local companies, revenues to government.
- Paid for, delivered, modern solutions to infrastructure challenges. For example, Madam Speaker, the remediated George Town landfill, the new solid waste facility, major road works, schools and parks.
- There will be no increase in our national debt or our obligation to repay cost of these infrastructure solutions.
- Benefits of more than US\$18 million in community programmes and facilities at a time when the Cayman Islands Government is unable to fund any of those developments.

Again, as I said earlier, we believe that the best strategy for achieving sustainable growth in the Cayman Islands' economy is to inspire the private sector to do what the private sector does best—create wealth and generate jobs. This partnership agreement provides incentives to the private sector to provide a large and immediate economic stimulus, one that creates jobs, helps create wealth through investments and economic activity across several industries, utilising both small and large businesses.

Furthermore, this partnership is a true partnership. We have the private sector helping us fund and deliver much needed national infrastructure, facilities and social and educational programmes without incurring any debt or obligation to repay now or in the future. There is no transfer of sovereign debt and no giving away of any lands to Dart.

The results of months and months of tuft negotiations the "ForCayman Investment Alliance" demonstrate our shared commitment, the Government's and Dart's, to the ongoing economic turnaround of the Cayman Islands' economy, ensuring the country has modern infrastructure needs and that our society is growing with healthy, vibrant and diverse social communities across our three Islands.

My Government and I stand behind this partnership as one that is a mutually beneficial investment alliance, one which is good for all of the people of the Cayman Islands. All of them, including the Sister Islands, Madam Speaker, we know will benefit.

I am confident that what I have announced here today will create jobs for Caymanians, opportunities for Caymanian-owned businesses, enhance our tourism product, assist with the revitalisation of the economy and deliver fully funded solutions to national challenges without incurring any more public debt, or any more fee increases by the people of these Islands for the things that we will get and be able to do now.

The "ForCayman Investment Alliance" signals, Madam Speaker, a better way forward for our country. The Alliance is already starting to work, Madam

Speaker, as there now exists a \$6 million contract with the quarry operators to provide quarry products for the project. Already they are tied and signed that agreement of over \$6 million.

Also, Madam Speaker, Mr. Walling Whittaker, a George Town . . . well, I don't know if he lives in George Town, but anyway he is a Caymanian and we all know who he is; he was the former director for Environmental Health back in the 90s when I first went into Executive Council. He is now hired by them to work at remediating the landfill and work on the new landfill site, I believe. But already benefits are beginning to accrue and more is yet to come. As I said, Madam Speaker, this is good for Cayman and all our people.

Madam Speaker, I thank you for your indulgence.

The Speaker: Thank you, Mr. Premier.
Leader of the Opposition.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Thank you Madam Speaker.

Madam Speaker, with your permission I would like to ask the Premier a few short questions on his lengthy statement.

Moment of interruption—4.30 pm

The Speaker: We have reached the hour of 4.30, we need a—

Suspension of Standing Order 10(2)

The Premier, Hon. W. McKeeva Bush: Madam Speaker, we propose to suspend Standing Order 10(2) in order to continue on with business this evening.

I said on Friday, Madam Speaker, that we would be going through probably until 9.30 or 10.00, depending on how long the Leader of the Opposition will be when he gets up, and how long the next person will be on the Opposition side.

[laughter]

The Speaker: the question is that Standing Order 10(2) be suspended to allow the business of the House to continue after the hour of 4.30. All those in favour, please say Aye. Those against, No.

Ayes.

Agreed: Standing Order 10(2) suspended.

The Speaker: The Ayes have.

Business of the House will continue after 4.30.
Honourable Leader of the Opposition.

Short Questions
[Standing Order 30(2)]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Thank you, Madam Speaker.

Madam Speaker, the Premier has indicated that multi-million dollar contracts have been signed and people are being employed in pursuance of this arrangement with Dart. It seems, Madam Speaker, therefore, that this arrangement has been around for some time.

I wonder then, Madam Speaker, if the Premier can indicate whether, on behalf of the Government, he or any other person in authority has signed an agreement or agreements with Dart to give effect to what is set out in this statement.

And I have two other questions, Madam Speaker.

The Speaker: Mr. Premier.

The Premier, Hon. W. McKeeva Bush: Madam Speaker, we have not signed anything. The process is going to be now. We made it public and we are going to take into Cabinet and then, Madam Speaker, works will really begin.

But there are a number of things that are happening in the meantime because they know they are dealing with a reputable Government that is going to do what we say. And, Madam Speaker, therefore, people who need contracts and are glad to get it, are beginning to move forward to start putting things in place so we do not delay things. We need to get this economy up and moving, and while it is slowly moving upward this will give it more impetus.

Basically, what they have done is to buy fill. The contractor buys fill from the quarry operators for quarry products to . . . for instance, the road. They have to build the West Bay road. So, what they are doing is getting fill, and fill for their property in Camana Bay also. They intend to build another building. So, Madam Speaker, all of this will help the economy.

No, we have not signed anything yet; but we will sign because this is good for the Islands.

The Speaker: Leader of the Opposition.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, when the Premier responds to my next question, perhaps he could indicate when it is likely the Government will sign.

Madam Speaker, the second question is: On page 23 of the Statement, it is indicated that approximately 72 acres from Vista Norte will be exchanged with Dart for an equal amount of acreage in Barkers.

Would the Premier say whether government owns the land in Barkers or the land in Vista Norte? In other words, how is the swap being made? Is it gov-

ernment giving up 72 acres in Vista Norte or Dart giving up 72 acres in Vista Norte?

The Premier, Hon. W. McKeeva Bush: Madam Speaker, what I said here was approximate . . . and I quote: "Approximately 72 acres from Vista Norte will be exchanged with Dart for equal amount of acreage in Barkers." So, it was absolutely clear what is happening.

And, Madam Speaker, some of that that we will be getting in the Barkers National Park is dry land. What they are purchasing . . . and they are giving for land that is contiguous to them . . . in fact, surrounded by them. Government has a piece of land in Vista Norte that is surrounded, I think, by them. We do not have road access into it, as such, and, Madam Speaker, we are doing all we can to enhance Barkers National Park as we believe that it will enhance not only tourism, as an eco-park, but also for local people who love kayaking, canoeing, bird watching, tree hugging, watching all of those sorts of things.

What we will do up there is stop some of what is going on now! Our shores were being used for illegal entry of contraband. Having a presence up there of a park with rangers and so on stops all of that. It stops illegal dumping. It is a shame and a disgrace, what I saw going on there. Now we are putting a stop to it. This is a good project, Madam Speaker.

The Speaker: Leader of the Opposition.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Thank you, Madam Speaker.

Madam Speaker, I wonder if the Premier can say whether or not government has valued the 72 acres of land in Vista Norte that it is proposing to exchange with Dart to ensure that what is being done is a fair exchange.

And if the Premier, Madam Speaker, would answer my other question, which is: When is it that the Government proposes to sign this agreement or series of agreements with Dart?

The Premier, Hon. W. McKeeva Bush: Madam Speaker, valuations of properties will be ongoing, of course, before we complete signing. As I said, the process would be that we take it to Cabinet, the Legal Department would vet it, and all the valuations completed before we sign.

The Speaker: Member for North Side.

Mr. D. Ezzard Miller: Thank you, Madam Speaker.

Madam Speaker, I wonder if the Premier could tell me who owns Dart Cayman Islands.

The Premier, Hon. W. McKeeva Bush: Madam Speaker, I really don't know who . . . I think Dart . . . I would think it is the Dart family. But that is public in-

formation which the Member can easily go down to the Land Registry, or Company Registry, and find out who owns the company.

[inaudible interjection]

The Premier, Hon. W. McKeeva Bush: Say what?

If you got something to say be upstanding and you can say so.

Madam Speaker, I invite them . . . as this is quite important, and if they want to ask more questions I will be hoping that you will indulge them if they want to ask more. I mean really ask questions rather than mumbling and complaining.

The Speaker: Member for North Side.

Mr. D. Ezzard Miller: Madam Speaker, I was quite willing to deal with it in my debate, but since I am given the opportunity . . . I am a bit concerned that we are signing this large of an agreement with a company with whom the Government does not appear to have done their due diligence and know who the owners are.

The Speaker: That was not a question.

Mr. D. Ezzard Miller: I'm still asking who the owners are.

The Premier, Hon. W. McKeeva Bush: Madam Speaker, that must be a facetious question. He must be swallowing his tongue.

The Speaker: Ah—

The Premier, Hon. W. McKeeva Bush: Not really tongue-in-cheek, but he must be swallowing his tongue in saying that.

The Speaker: Please.

Can we now continue with the Order Paper if everyone has finished their questions?

The Premier, Hon. W. McKeeva Bush: No, they got more questions. Ask them.

No more questions?

[inaudible interjection]

The Premier, Hon. W. McKeeva Bush: All right!

GOVERNMENT BUSINESS

BILLS

SECOND READING

Appropriation (July 2011 to June 2012) Bill, 2011

The Speaker: The Appropriation Bill was moved in the previous sitting. The Budget Address was presented and the floor is now open for any other Member who wishes to speak.

Honourable Leader of the Opposition.

[inaudible interjections]

The Speaker: Order.

Honourable Leader of the Opposition has the floor.

COMMENCEMENT OF DEBATE ON THE BUDGET ADDRESS AND THE THRONE SPEECH

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition, Leader of the Opposition: Thank you, Madam Speaker.

Madam Speaker, last Friday evening the Premier and Minister of Finance at long last presented his 2011/12 Budget Address. We had all begun to wonder whether he ever would. I want to congratulate him for finally doing so. This evening he has delivered the second half of his Budget Address and, while we would all like a bit more time to consider it, I shall do my best to deal with it during the course of my presentation this evening.

Madam Speaker, I want to make note that the Budget Address was presented in a beautifully designed and bound document. The Premier delivered it with his usual gusto. Again, I want to congratulate him.

The Address was presented 34 days late and the presentation postponed no fewer than five times. It was late even though the Government had amended the Public Management and Finance Law last year so that he could present the Budget later than had been previously required by the law in what can only be described as an unprecedented fashion.

The Premier and Minister of Finance presented what is the country's and the Government's most important national address in any year after 7.00 pm on Friday evening at the start of a long weekend. His motive for so doing is unclear, but if, indeed, it was an effort to limit the number of persons who would hear the Address, then I believe the Premier succeeded. And again, I want to congratulate him.

By the time the Address was through, well after 9.00 pm, all but the most long-suffering of civil servants had retired to their homes and families. One Member of the Government Bench was even allowed to sleep by the soothing tones of the Premier's voice.

The Premier, Hon. W. McKeeva Bush: *[inaudible]*

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: And he had to be shaken awake by one of the more alert Members of the Backbench.

[laughter and inaudible interjections]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, despite the numerous postponements the long wait and the hardship to all concerned are being forced to work on Friday night at the start of a long weekend, when the Premier did finally deliver the Budget Address, remarkably, he did so without any accompanying budget documents.

He was apparently untroubled by the irony in this, but it has certainly left the rest of us wondering why he waited until 7.00 pm on Friday evening to make the speech since he had obviously concluded that he did not need the budget documents to do so— notwithstanding what the Standing Orders say. But, Madam Speaker, perhaps he was punishing us all, Opposition and civil servants alike, for the many sins he claims we have committed. And, again, if that was his objective, Madam Speaker, I wish to congratulate him, because he succeeded.

Madam Speaker, the Premier spoke at length and waxed almost lyrical as he had stalled the performance of the Government. He assured confidently that, quote: **“The evidence shows that so far, the country is on the right path; the path to a Better Way.”** And he did that, Madam Speaker, with a straight face and not even a hint of irony in his voice. He said it as though he truly believed it.

And although that might appear to be somewhat delusional for those of us who live in Cayman, we must admire the bluster. Never mind the facts, or that the weight of the evidence points the other way. We should be impressed, and are impressed, by the sheer audaciousness of the Premier.

But, Madam Speaker, if the results of recent polls are anything to go by, it would appear that there are not too many in Cayman right now who agree with the Premier that “the country is on the right path; the path to a Better Way.” In fact, Madam Speaker, there has been much, and continues to be much, dissatisfaction with the current administration. And over the course of the past seven months there has been enough discord among the general population to cause two of the country’s main media houses to perform polling exercises in order to measure the popularity of the Government.

Between November 2010 and May this year (2011) readers of *Cayman News Service* and the *Caymanian Compass* online participated in three online polls directly aimed at determining the reader’s satisfaction with the current administration. And one poll indirectly aimed to gage the same information, only this time posed in a question relating to the lack of confidence in the Government Motion—which I have filed and which has been seconded by my col-

league, the Elected Member for East End, on behalf of the entire Opposition Bench.

Madam Speaker, the first poll conducted on the 7th November last year by *Cayman News Service* asked the question: *How is the UDP Administration doing?* The poll indicated that of the 275 persons who participated, 60 per cent (or 166) believed that the PPM would do a better job; only 19 per cent of respondents (or 54) believed the UDP was either doing everything right or that they were getting some things wrong but are still right for the country.

On May 13th and 15th of this year, Madam Speaker, the *cayCompass* and *Cayman News Service*, both polled their readers at the half-way mark of the current administration. Of the 471 persons who took part in the *cayCompass* poll, 66.9 per cent (or 315) gave the current administration a poor or failing grade.

Meanwhile, of the 177 responses to the *Cayman News Service* poll two days later, 87 per cent of all respondents (or 154) also gave the current administration poor rating, with 113 respondents claiming the administration is “the worst administration in the Cayman Islands’ history.”

Madam Speaker, the April 27th *Cayman News Service* poll which indirectly measured readers’ satisfaction with the present Government like gauging the level of support for the PPM’s Lack of Confidence Motion, which I referred to earlier, saw the largest response of all polls with 548 participants. As reflected by the other polls, 89 per cent (or 487 votes) of all participants supported the Lack of Confidence Motion. Between 60 per cent and 89 per cent respondents to online polls between November 2010 and May 2011 have shown the people to be dissatisfied with the current administration, either directly stating so, or indirectly, via their support for the Lack of Confidence Motion.

While the number of participants in the two *Cayman News Service* polls declined, the percentage of persons who expressed dissatisfaction actually increased. It was 60 per cent in November and 87 per cent in May. The *cayCompass* poll, which had more respondents than November and May *CNS*’ polls combined, still showed a slight increase in the number of persons expressing dissatisfaction from the numbers polled by *Cayman News Service* in November—, *Cayman News Service*, 60 per cent in November; *cayCompass*, 66.9 per cent in May.

But, then again, Madam Speaker, I accept that those are just polls. As they say, *lies, damn lies, statistics and polls*. Who am I to tell the Premier what to believe? We are all free to interpret those polls as we wish. And if the Premier wants to believe and to assert that the Government is on the right path, then he is free to do so.

Madam Speaker, as has been the case with every failing of this Government since they assumed Office, more than two years ago—and there have

been many—the Premier has blamed the inordinate delay in the presentation of the Budget on our administration, and, in particular, on me. He says that we left behind a huge deficit which has put the FCO (Foreign and Commonwealth Office) in charge of the Budget process, and that is why the Budget was presented late again this year.

Madam Speaker, as this is the third Budget that this Administration has presented, they only have one more to deliver in this term. This is an extraordinary if not incredible claim. The question is: Why has the FCO become so difficult this time round when the Government is supposedly projecting a surplus? Something does not quite add up, and it is just not the Premier's numbers.

Madam Speaker, the Opposition has been reliably informed that there are two reasons why the Budget has been delayed and delayed and delayed and delayed and delayed (five times). The first has to do with the insistence of the Premier that he would not present a budget unless he was able to demonstrate a \$15 million surplus in the current fiscal year. And, Madam Speaker, obviously, creative accounting does take some time.

The second, and no doubt most important, reason why the Budget is late, we are told, is because the Premier did not fulfill the undertakings he gave in the three-year plan which he presented to the FCO on the 24th May last year.

Key among the undertakings given to the FCO was that the Government would implement important recommendations from the Miller/Shaw Report, particularly those with respect to reducing the cost of the Public Service. Despite the Premier's claim in his Budget Address, that his Government took the recommendations of the Miller/Shaw Report seriously, he and the Government failed to do so to the satisfaction of the FCO, and, hence, the FCO's reluctance to approve the Budget.

Madam Speaker, even as I speak, we are still not aware of what measures have been taken by the Government to address the many concerns raised and the recommendations made in the Miller/Shaw Report, which go, Madam Speaker, to the fundamentals of the Government and of the Public Service structure.

Madam Speaker, the Premier squeals and protests about having to take instructions and directions from a desk clerk in the FCO in relation to this matter. But our sources tell us, Madam Speaker, that had the Premier kept his end of the bargain and followed the plan—which his own people in Cayman developed, the three-year plan of 24 May last year—he might have avoided the embarrassment and the uncertainty that this delay in bringing the Budget has engendered.

Madam Speaker, although its beautifully designed front cover records "Navigating Towards Prosperity" as the theme of this year's Budget Address, in

the text of the document the Premier quickly abandons this in favour of a much more pedestrian theme of "Maintaining Fiscal Discipline and Providing Services." And throughout the speech, Madam Speaker, he has sought to make this theme the lynchpin of the Address, and he devotes many pages to developing this argument. He claims that his administration has turned the country's fiscal position around and even averted what he calls the "grave danger of devaluation of our currency."

Madam Speaker, I believe that the Premier should be required to explain what he means by that, because those of us on this side, and those whom we have spoken to, find it difficult to comprehend since the Cayman Islands does not float but is in fact pegged to the US economy. Perhaps, Madam Speaker, the Premier means that he worries that because of the constant devaluation of US currency, the value of the Cayman currency is constantly being eroded. But if that is the case, then there really is nothing locally that we can do about that. And so I do not think that is what he means.

But if he has rescued the Cayman for this grave danger of devaluation of our currency, I believe, Madam Speaker, that we all ought to understand how that was to occur and what he has done to avert such disaster so that we, Madam Speaker, can make him a national hero or something like that.

Madam Speaker, when you listen to or read the Budget Address you quickly understand why the Premier has made the issue of the deficit his claim to fame, and why it is the key feature of the speech. Madam Speaker, perhaps, if he had had the statement which he made today ready on Friday evening, he might have included that in the Budget Address and placed less focus on the issue of the deficit and his role in erasing it.

But, Madam Speaker, he needed to make that the key feature of his speech, because there is very little else in the Address which offers hope to the people of this country—to those who own businesses, which are going under; to the thousands of Caymanians who are unemployed; to the hundreds of taxi drivers and tour operators who are struggling to survive on a diet of one cruise ship a day, and some days none at all; to the restaurants and the shops in George Town and everywhere else that are having to close their doors; to all of us who are staggering under the high cost of living.

What is the Government doing about these issues? How is it assisting our people? Where in the Budget is the plan to improve the lives and fortunes of the people of these Islands? Of course, Madam Speaker, having now delivered himself of the statement this evening announcing the ForCayman Investment Alliance with the Dart Group, when the Premier and his other colleagues get up to speak they shall focus on that as being the rescue plan for the Cayman economy. I will come to that, Madam Speak-

er, towards the end of my speech when I have had a little more time to digest it.

Madam Speaker, the Premier recognises that unemployment is a major issue. I give him that much. Because, in his Address he acknowledges that the unemployment rate has of October last year was 6.7 per cent and that the number had actually gone up by almost 1 per cent since 2009. He admitted that almost 2,400 persons were unemployed last year, and, Madam Speaker, there is little evidence now that the picture has improved in the first half of this year.

The question is: What are the Premier and his Government doing about it? It is one thing to boast about a miraculous recovery of government finances and a surplus in just two years, but as the Premier acknowledged himself in his Address, and I quote him: **“What good is it if by some measures we have a strong economy, if people cannot find work?”**

Madam Speaker, as far as we have been able to discern, the only really new proposal contained in the Budget Address is the commitment to explore the prospect of Cayman adopting Daylight Saving Time (DST). The Premier sights this as an example of his Government’s innovation and hard work to improve the lives of our people. But, Madam Speaker, at this point, Daylight Saving Time is only likely to give people more time to worry about the work they can’t get or the bills they can’t pay.

Last year’s Budget Address had as its theme “Partnership for Recovery,” a theme which the Premier says has been carried forward in the government policies for this year. No doubt this arrangement which he had up his sleeve with the Dart Group is a primary example of what the Premier regards a partnership for recovery. But, Madam Speaker, over the course of the past year, in fact, over the course of the past two years, the ordinary people of this country have seen little evidence of either partnership or recovery. And the prospects for this year do not appear to be much better, judging from the Budget Address, which is largely devoid of new ideas, long on rhetoric, but woefully short on specifics. It is comprised mainly of proposals which have been made before and which have simply been repackaged and recycled from other speeches.

Madam Speaker, with the exception of the Government’s proposal to reintroduce the residential electricity consumption rebate on diesel fuel used to generate electricity by CUC—which had been implemented by our administration, but was removed by the Premier and his Government soon after they took Office—the Budget Address announces no relief for the people of the country. Madam Speaker, even that has been introduced, we believe, in an atmosphere of some doubt, and questions arise about it.

Madam Speaker, today we have been handed a copy of the *Cayman iNEWS*, which is the new newspaper. And, Madam Speaker, on the front page

the headline is entitled “Electric Shocker.” The article says that the Caribbean Utilities Company says it knows nothing about Premier McKeever Bush’s initiative to rebate \$4.5 million to electricity consumers and will await details of the programme before making any announcements.

So, Madam Speaker, even though this is something that I would wish to congratulate the Premier for having finally understood how people in the country were suffering, even this, Madam Speaker, there are questions about whether or not this is real.

Madam Speaker, the Premier can talk for hours about maintaining fiscal discipline, but if our people are unemployed, if our people are losing their homes and businesses, if our people can’t pay their bills or afford fuel for their vehicles, then I am not at all sure they are going to agree with the Premier when he claims that “the country is on the right path; the path to a Better Way.” They are bound to say, as we are all hearing them say over and over again, “better way for whom?”

Madam Speaker, one of my constituents told me recently that he finally understood what the Premier meant when he said that he was going to put Cayman back on its feet. With the price of gasoline and diesel where it is now and going up, we will all soon be walking because we will not be able to afford to buy fuel. And I repeat that little piece of humor, Madam Speaker, because it underlines the next point I wish to make, and that is, that the fiscal policies pursued by the current Government, since it took office, have made the hard times brought on by the global recession that much harder, that they have had the effect of increasing the cost of living, of reducing the amount of money in circulation, of discouraging investment, of reducing employment opportunities, and of shrinking the economy.

The Premier himself admits in his address that over the past two years since his Administration took office, the Cayman Islands’ economy has contracted by approximately 11 per cent. He should be frightened by that. There is no question that the global economy had an impact on this figure, but just as certainly, the fiscal policies of the Government have done so as well.

In each of the three budgets that the UDP Administration has delivered to the House, they have increased the tax burden on the people and businesses in this country. The Premier will say that this time round it is only on certain types of hedge funds and therefore it won’t adversely impact the average person. But, Madam Speaker, the national tax burden still increases, as this is another cost for the financial services sector to have to observe. But it is really the fees and taxes that were imposed in the preceding two years that have had a truly crippling effect on the local economy as they have impacted local businesses, average people and the financial services sector.

The Premier knows that, Madam Speaker, and his Government knows that. After all, even some of the government's own key supporters and businesses have succumbed to the high cost of doing business in Cayman. Some of them have even complained to us.

Madam Speaker, we need not look far for evidence of the disastrous economic policies of this Government. Just look at three businesses within a 300 foot radius of this House that have been forced to close their doors in the past year: Señor Frogs, owned by a key UDP person; Bacchus and Al La Kebab. These are all restaurants and all recently closed their operations in George Town. Dozens of businesses around the country have suffered a similar fate. And no doubt this traditionally slow summer season will sadly be the death knell of some more.

Madam Speaker, the new Government started putting pressure on local businesses very early in its term. In October 2009 the Financial Secretary presented this Government's first budget after the elections. He claimed it was a balanced budget and even projected an operating surplus of \$9.5 million. He told the House and the country that it complied with all the principles of prudent financial management, as required by the Public Management and Finance Law (PMFL), and as the Minister is now telling the country about the present Budget. But in order to achieve this result and prevent the FCO from having any say in the budget process, the Government was going to have to inflict real pain on the people and businesses in the country by imposing a raft of additional taxation.

Now, Madam Speaker, the surplus projected in the 2009 budget of this Government never materialised. And the Government wound-up incurring a deficit of \$15 million. But then again, Madam Speaker, this is the same Financial Secretary who told the Finance Committee of this House on 20th March 2009 that the projected deficit at the 30th June that year was expected to be \$29 million; and the same Financial Secretary who told the Cabinet, of which I was a part in early May 2009, that as at 31st March 2009 the unaudited actual deficit of the Government for the first nine months of 2008/09 fiscal year was \$18.8 million; and the same Financial Secretary who within a week of the elections told the new Government that the 2008/09 deficit was actually expected to be \$74 million; and the same Financial Secretary who eventually told the House in October 2009 that the deficit was actually \$81 million.

But all of that aside, Madam Speaker, when the Government announced its intention to impose the raft of new taxes in October 2009, we told them that it was the wrong thing to do, and we begged them to reconsider. We explained that we understood the powerful motivation of the new administration to produce a balanced budget thereby avoiding the necessity to seek the UK's approval to borrow funds. But we pointed out, Madam Speaker, that attempting to do

this in a single year, and in the context of the global recession, was overly ambitious, unrealistic and would inflict unnecessary pain on the Government and on the people.

We said unnecessary pain because we understood at the time, Madam Speaker, that the UK Government was not insisting that the deficit be eliminated during the course of the 2009/10 fiscal year, but instead it was content with a plan which saw the deficit reduced in succeeding years, and for a balanced budget to be produced in two or three years.

Had the Government approached the budget issues in this way, it would have provided the opportunity for both the global and local economies to recover, and for business activity and, consequently, government revenues to improve over this period without having to cause major pain to local businesses. But the Government dismissed our concerns as having no basis, Madam Speaker. We were the recently defeated government and the Premier claimed that we should be saying anything at all because, after all, we caused the problem.

Madam Speaker, the Government may have ignored our views with impunity 20 months ago, but there is no question now but that the overall effect of these measures has driven up the cost of doing business and the cost of living in Cayman, and is contributing to businesses closing their doors almost weekly now.

Madam Speaker, in 2010 the present Government increased the import duties across the board on all dutiable items. At the time the Financial Secretary presented this as an increase of 2 per cent since duties were 20 per cent and were being increased to 22 [per cent]. But an increase in duties from 20 to 22 per cent is not a 2 per cent increase in the cost of bringing goods into the Islands, it is fact a 10 per cent increase in such cost.

The new administration also significantly increased work permit fees for a wide range of employment categories while in the same breath claiming that the Government was business and investor friendly. For small businesses required in the present depressed environment to pay increased work permit fees, a new business premises fee of 10 per cent of the rent paid for their premises, a 10 per cent increase in import duties on goods imported, plus an increase of warehouse charge, the impact of the new revenue measures—not so new now, Madam Speaker, they have been in effect for more than a year—has been significant and in some cases devastating.

Madam Speaker, when the Premier and the other senior Members of the UDP team were in Opposition between 2005 and 2009, they never missed an opportunity to talk about the need to nurture and support small businesses in this country. In the course of the 2008/09 fiscal year, as the economy worsened, their rhetoric grew louder and more pervasive as they called on our administration to do more for small busi-

nesses. The great irony in all of this, Madam Speaker, is that once they were—in fact *are*—in the driver's seat, these concerns appear to have fallen away, as they increased fees and taxes, seemingly with no consideration whatsoever to the impact on and the fate of the small businesses in this country.

Indeed, Madam Speaker, it would appear from the focus—or perhaps more accurately, the obsession—of the Premier with big business, that really small business does not matter at all to this Government. Since the start of this administration there has been one grand announcement after another by the Premier of some major private sector project or of the other, which is touted as the answer to all our economic woes that will kick-start the economy and provide lots of employment for our people. We were treated to another one of those grand announcements just a short while ago, Madam Speaker. But like most of the other agreements, or arrangements, there is no signature. We'll see!

Madam Speaker, some of these projects have truly verged on lunacy, such as the proposal to dredge a huge channel through the reef and create manmade islands in the North Sound. Thankfully, it appears that the vehement opposition to this environmentally deadly project has caused the Government to withdraw its support, and, at least for the moment, disaster appears to have been averted.

I should, Madam Speaker, on behalf of all concerned and grateful people of the Cayman Islands, or with an interest in the Cayman Islands, express our gratitude and admiration to Captain Bryan Ebanks and the rest of the Save Cayman team for mounting the successful campaign which seems to have convinced the Government not to allow the North Sound dredging project to proceed.

Another project which has stirred up growing controversies is the so-called East End Seaport, otherwise known as the East End Mega Quarry. This gargantuan project, Madam Speaker, proposes to rip a 600 foot gash in the southern coastline of East End and then dredge 60 feet deep for a quarter of a mile inland. It will divert the current scenic road inland for a mile. It will undercut the largest, freshest and most important water lens in the Cayman Islands and risk turning it saline. Yet it appears to continue to have the support of the Government as, although he did not refer to it directly, the Premier did say that during the course of this fiscal year there will be **“improvement of the efficiency of both the cruise and cargo port operations by separating and establishing new facilities.”**

Madam Speaker, that the Government could support and encourage the above two potentially environmental disastrous projects as part of its development policy is, quite frankly, scary. But what is truly amazing is that while doing so the Premier would say in his Budget Address that **“we remain committed to robustly defend the integrity of the environment”**

and that his Government will **“protect and enhance the marine and terrestrial environment.”**

It is just as well, Madam Speaker, that the Government is so committed to the environment. I can't imagine what would happen, or what they would permit to be done in Cayman, if they were not so environmentally conscious and committed.

Other major projects which the Premier has announced over the past couple of years include the Dr. Shetty Hospital project and the development of Cayman Enterprise City, a technological park in a special economic zone. We in the Opposition, Madam Speaker, believe that both of these projects, should they come to fruition, have the potential to create that illusive third and perhaps even fourth pillar to our economy, and thus, although we may have issues with the details and the terms of some of the agreements or even some of the concessions that the Government has given or proposes to give, in principle, we support the projects.

Madam Speaker, the issue of concessions is becoming an increasingly important and contentious one. Concessions are often necessary to entice and/or encourage developers of particular businesses or projects to make the necessary investment in your country. This is particularly so where the development being considered is of a type which the Government does not have but considers it desirable. But the consistent demand of potential investors for reduction in relation to things like import duties and the relaxation of immigration regulations as they relate to work permits, or the reduction in work permit fees, should be telling the Government something.

And that something is not just that new developments require a lower cost of business and a more flexible and welcoming immigration regime. It should be telling Government that our work permit fees are too expensive generally, and that the time it takes to process work permits is too long, and that the rollover policy discourages business.

The sad reality, Madam Speaker, is that the Government, which the Premier boasts about in his Budget Address as being investor friendly, appears to be so only as it relates to large, rich foreign investors. It is the big foreign investors who get all the breaks on work permits, on planning fees, on import duties; and it is the foreign investor who gets a guaranteed work permits and other exemptions. The Government does not seem to bat an eye in handing out concessions to big foreign operations.

On the other hand, local businesses, or even foreign businesses which are established here, not only do not get concessions, but over the course of the last couple of years have been targeted by the UDP Administration and required to pay higher and higher fees and taxes. The question remains: If the Government is truly intent on stimulating the local economy, why does it not give the local businessman a break? Why can't local businesses benefit from a

break in work permit or licensing fees? Does the Government so take them for granted and believe they do not contribute enough to the local economy to be worthy of a concession during these hard times, even if only temporarily?

And, Madam Speaker, the irony of the approach the Government has taken, this bias in-favour-of-foreign-investment, is that in the two years they have been in office, they cannot point to one major development which has actually begun. And while we all have hope and belief (and I pray for it all the time, Madam Speaker) that one or two will actually commence in the next six months or so, it is going to be quite some time, if they do, before they start actually making a difference of the Cayman economy.

In the meantime, as it has been from morning, it is the existing businesses that keep our economy moving. I call on the Premier and his Government again, Madam Speaker, as we in the Opposition have done for the past two years, to roll back the increases in fees and taxes which they have imposed since they took office, and which are continuing to cripple many local businesses.

Madam Speaker, I actually have some hope that this cry of ours may actually fall on willing and sympathetic ears this time round, as the reality that the Government, like all of us in here, will face an election in 23 months, is apparently starting to dawn on them. This has been signaled, not just in the Government's recent decision not to proceed with the North Sound dredging project, but also in the Premier's claim in the Budget Address that **"my government is a caring one. We acknowledge that with the high fuel prices, including diesel, electricity cost are a strain on many households."**

This is the same Premier, Madam Speaker, who two years ago visited additional cost, as far as electricity was concerned, on the people of this country by removing the rebate that the Government of which I was a part, had implemented.

Madam Speaker, the Premier needed to make that acknowledgement, that electricity costs are a strain on many households. He needed to do so since his administration increased the cost of diesel to CUC by a whopping 45 cents since they took office. Having made, Madam Speaker, what amounts to a confession, the Premier then handedly announced the reinstatement of the residential electricity consumption rebate of customs duty on diesel used by CUC for the production of residential electricity which, as I said, had been implemented by our administration.

There was just one little problem, Madam Speaker. He forgot to tell CUC about it. But I expect that in due course the Premier—he is a busy man; this is a relatively unimportant matter in his grand scheme of things—will get around to telling CUC about this. He has not said what the amount of the rebate will be, but, Madam Speaker, any amount will provide some break in the cost of the generation of electricity.

It was the right thing to do, and I wish to commend the Premier for doing something right, which will actually ease some of the pain inflicted on the ordinary people by the increases in fees and taxes which this Government has imposed over the past couple of years. I will even ask the people to forgive the Premier and his Government, Madam Speaker, for increasing the cost of electricity to residential consumers over the course of the past couple of years by canceling the residential electricity consumption rebate which we had put in place.

But having begged for the Government and the Premier to be forgiven, I also call, Madam Speaker, on the Premier to rollback the additional 25 cents duty on fuel which his Government introduced on all fuel, not just diesel, last year. If this is done it will assist not just in reducing the cost of electricity, but it should also help to reduce the now astronomical cost of fuel at the pump.

Madam Speaker, I spoke a little earlier about the negative impact which the increases in work permit fees imposed by the current Government have had on the economy. I also mentioned the rollover policy and the need for a more welcoming immigration regime. The Premier has spoken about the immigration issue at almost every opportunity since his Government took office, and even before his Government took office. He usually says the same thing, "we need a more welcoming and business friendly immigration regime," and he is right about that. But he usually couples that truism with the inevitable swipe at the PPM administration claiming we drove business away; that we were anti-foreigner and anti-investment. Ignoring the facts, the Premier usually blames us for the roll-over policy, the PPM, and all that is wrong about immigration.

That, Madam Speaker, is the continuation of what has been an extraordinarily successful campaign by the UDP in disinformation. The Premier and the UDP won the last elections, at least in part, on the basis that the PPM administration was anti-foreigner and had introduced the rollover policy to get rid of foreigners. The truth though, Madam Speaker, is very different from the picture painted consistently by the Premier and his people. It was, in fact, the Premier and his first UDP administration which introduced the rollover policy. They did so by passing the new Immigration Law in 2003, and they did so in the aftermath of the Cabinet status grants scandal earlier the same year.

It was the Premier himself who piloted through the rollover legislation, strange as that might seem, given all he said about it over the years.

Madam Speaker, when the 2003 Immigration Law was introduced by the UDP Administration, it required that unless a work permit holder had been declared a key employee by the Work Permit Board, they had to leave the Cayman Islands at the expiration of seven years here, and that they could not re-

turn for at least two years. By the time our administration took office in 2005, a number of problems had been identified with the operation of the Law passed by the Premier and his Government, and we appointed a committee to review and revise the Law.

It was quickly determined that they were major complaints about the two-year break following rollover at seven years. There were also issues with the interpretation of the key employee provisions of the Law. We sought advice and made amendments to the Law which reduced the rollover break from two years to one, and we clarified the key employee provisions.

But, notwithstanding these changes, complaints about the legislation persisted and indeed still persist. The Premier and his team, then in Opposition, seized upon the dissatisfaction with the Law and, as I have said before, successfully blamed the PPM for all the hardship and inconvenience which the rollover policy caused.

Having won office, last year in his Budget Address the Premier announced a number of initiatives that were underway to improve the immigration regime. And he also said at the time that he considered the break in stay following the rollover to be too long and that he was considering reducing it to as short a period as one month. Madam Speaker, we had taken advice on this point when we amended the Law in 2007, and had been told that a year was a shortest period that could safely be said to constitute a real break in a person's ordinary residence.

In recent times we have not heard much from the Premier on the subject of immigration and specifically on the rollover policy. However, Madam Speaker, particularly in the difficult economic times we are in, there are abiding concerns about the impact of the rollover policy on local businesses, and, indeed, on the lives and decisions of work permit holders.

There are also concerns about the fairness of the key employee provisions which inevitably mean that certain professions and types of businesses are more likely to be granted key employees than others. The importance of key employee status lies in the fact that unlike other work permit holders, key employees do not get rolled over at year seven; they get to stay on and apply for permanent residence at year eight.

Before I say more on this particular point, Madam Speaker, let me acknowledge that when the rollover provisions were introduced by the Premier in 2003, he was then the Leader of Government Business. The legislation had the support of all Members of the House. We were all conscious that the system which existed at the time could not be allowed to continue. People were being allowed to remain here on work permits, sometimes for decades, with no prospect of security of tenure.

This had worked great inequity, great unfairness. There were people born here who had grown up here and considered themselves Caymanian in every respect culturally and could not get Caymanian status.

A means had to be found to ensure that those who remained in Cayman long term would get and will get security of tenure. But, at the same time, the system had to recognise that not everyone who came to Cayman to work would wind up being able stay here for life.

And so, Madam Speaker, the rollover policy was designed to reduce the number of persons who wound up staying here long enough to qualify to be granted permanent residents and ultimately Caymanian status, while at the same time ensuring that those who did stay in Cayman long term wound up with security of tenure and eventually, the closest thing to citizenship that we can grant.

And, Madam Speaker, in those respects the rollover policy has succeeded. But it has succeeded, Madam Speaker, in its objective at considerable social and economic costs. Eight years after it was introduced there is still widespread dissatisfaction with its workings and its effect, both within the immigrant population who are subject to it, but also among Caymanian employers.

There can be little question that the policy does not encourage the putting down of roots by work permit holders and actually discourages the spending money by them in the local economy. It also causes employers to lose good experienced employees at a stage when they are of optimum value to their employer. And so, Madam Speaker, after very careful consideration, we in the Opposition believe that the time has come for the Cayman Islands to abandon the rollover policy in favour of a more business-friendly, socially acceptable and equitable policy.

We understand that not everyone who comes here on work permit will be able to remain here indefinitely, and we are not suggesting that. But we believe there is a better way than that afforded by the present system. We propose, Madam Speaker, that the present legislation which imposes a seven-year term limit on all work permit holders except those who are key employees be repealed. We also propose that the concept of key employees be repealed. In the place of these provisions there should be a general provision which provides that all persons on work permits are entitled to apply for permanent residence after they have lived in the Cayman Islands for eight years, and that they must do so by year ten if they wish to remain in the Cayman Islands beyond that point.

Applications for permanent residence should continue to be considered and determined on the basis of a point system. Not everyone who applies for permanent residence can expect to be granted it, and I want to make that clear. But we believe we should not set the bar for permanent residence so high that only professionals and managerial persons can ever hope to achieve it; nor should we set it so low that just about anyone will qualify. Those who are granted permanent residence must have demonstrated that they have a real commitment to this country and that

they have the capacity to be good contributing members of the Cayman society and have the means to look after themselves.

The Premier says he constantly worries about the declining population. We call on him and his Government to stop tinkering around the edges of the current immigration legislation and bring a bill to this House which will have the effect of abandoning the rollover policy, which he instituted eight years ago, in favour of the more equitable, socially and economically acceptable alternative which I have just outlined on behalf of the Opposition. Madam Speaker, properly addressing Immigration will be a significant step in assisting businesses to survive the present dire economic times, but the Government must also do more on other fronts.

Everyone is worrying about Tourism and Commerce. What really is going on in Government as far as these two key subjects are concerned? Madam Speaker, following the elections the Government created a ministerial council and appointed the Third Elected Member for West Bay (who is also our Deputy Speaker) as the Ministerial Councilor. Also appointed to the council was Miss Pilar Bush of AtWater Consultants.

AtWater Consultants were also appointed as consultants to the Department of Tourism. From reports reaching the Opposition, Miss Bush, who was formerly Director of Tourism, effectively operated as *the de-facto* Director of Tourism over the course of the last couple of years. We have recently learned, Madam Speaker, that Miss Bush has resigned from the ministerial council and it appears that AtWater are no longer providing advice to the Department of Tourism as Miss Bush is no longer around. And so the question, Madam Speaker, which we raise, because it was raised as a matter of concern with us, is: Who is managing Tourism in the Cayman Islands now?

The Premier said precious little about the subject of Tourism, for which he has constitutional responsibility, when he delivered the Budget Address. I call on him to explain to this House and to the people, what is really happening with the management of Tourism in this country.

Then there is the issue of Commerce in what is still the Capital of the Cayman Islands, George Town. I am not sure how much longer that will be the case, but as of now, George Town is still the Capital. What are the Premier and his Government doing about the slow, but certain death of George Town as the centre of Commerce in these Islands? Or are they content with a resign to the transfer of the Capital to Camana Bay? Is this part of the partnership with the Dart Group which the Premier outlined at the end of his Budget Address and set out so extensively in his statement this evening?

Madam Speaker, the lack of pedestrian traffic in George Town during the day and the almost complete absence of it at night are making the Capital an

increasingly unviable place for business. The closure of the three restaurants I referred to earlier is the clearest indication that the Town is dying. What are the Premier and the Government doing to stimulate economic activity and pedestrian traffic in George Town? The present situation in George Town is dire, but it is not just limited to the Capital. One of the fundamental problems is the continuing decline in cruise ship visits, and consequently, the fall-off in cruise ship passengers to patronise the local businesses in and around George Town, the Seven Mile strip, and the Turtle Farm.

Recent reports, Madam Speaker, indicate that retailers are bracing themselves for a slow summer, and that cruise figures showed the third worst April in 10 years. The figures for May, last month, were down almost 27 per cent over the previous two years and projections through the end of September indicate an average fall-off of almost 36 per cent for those months. Tough times are about to get tougher. And what are the Premier and the Government doing about it? Certainly, Madam Speaker, the Premier gave little indication in his Budget Address of some 45 pages when he spoke for more than two hours on Friday evening.

Madam Speaker, it has long been recognised that in order to continue to compete for the cruise ship business, Cayman must have modern berthing facilities. Because we do not have those facilities many of the cruise lines are opting to by-pass Cayman entirely, or to significantly reduce the number of calls to the George Town Port.

When the current Administration took Office, they would have found that our administration (the PPM) had already entered into a Memorandum of Understanding (MOU) which had actually been extended with the development company known as Atlantic Star, to construct the desperately needed cruise ship berthing facilities. However, the new Government let the MOU with Atlantic Star expire, I understand, on the basis that they said they needed whoever developed the Port to provide 100 per cent funding (at least no funding from Government). And so the new Government let the MOU with Atlantic Star expire, preferring instead to work with the Dart Group of Companies (DECO), I believe was the company.

These negotiations fell apart in August last year and the Government then entered into a framework agreement with GLF Construction to build the necessary berthing facilities. There was much talk, Madam Speaker, and much excitement about this possibility, but hopes were dashed in March this year when the Premier terminated the framework agreement with GLF; six weeks before the company claimed it would break ground on the project.

Now, Madam Speaker, today the Premier announces that he has signed a Ministerial MOU with China Harbour Engineering Company, and that they will in fact be not just developing, constructing the

berthing facilities, but also operating them, in addition to the Spotts Landing and to a cruise pier at the Turtle Farm.

Meanwhile, Madam Speaker, reports reaching the Opposition indicate that GLF have themselves made another bid to build the cruise berthing, the Spotts Landing and the cruise ship pier in West Bay. And for good measure, Madam Speaker, we also understand that they have now filed a notice of claim against the Government and the Port Authority in relation to the alleged breach of the framework agreement which was terminated by the Premier in March.

So, Madam Speaker, there are interesting times ahead for the Government, for the Port Authority, and for Cayman. But while this state of confusion reigns the cruise ships pass us by, and businesses which rely on the cruise ship trade will shrivel and die, and taxi drivers and tour operators struggle to survive on a diet of one cruise ship a day and sometimes not even that. That, Madam Speaker, is the reality, the harsh reality of the present state of affairs with cruise tourism in Cayman.

And we did wonder, Madam Speaker, why or how the Premier could come to this House on Friday evening, deliver a 45 page Budget Address, speak to the country for more than two hours and say not a word about it. But now we know—he had been busy negotiating with China Harbour Engineering Company and signing the MOU which he announced this evening. The question is, Madam Speaker—and there are lots of questions about the propriety of what has been done and how it will all be done; whether the proper competitive tendering process will be carried out in relation to awarding such a contract or contracts to China Harbour Engineering Company.

But those questions aside, Madam Speaker, let's assume that everything has been done and will be done properly, the big question remains (the one which operates on everybody's minds): When is construction going to start on this cruise ship pier, berthing facility? And more importantly, when is it going to be completed? Are those who rely on the cruise ship trade, and is the country whose economy is so heavily dependent on tourism and cruise tourism in particular, going to have to wait another two or three or four years before we have operational cruise berthing? Our sources tell us, Madam Speaker, that it is unlikely that regardless of who is to carry out this construction, that these facilities can be completed in a space of less than two to two and a half years.

Madam Speaker, this whole situation with what transpired with DECO, their being the blue-eyed boys for a while and then being shunted; and then GLF stepping into their place and their being shunted, has left a whole range of questions brewing in our minds and in the minds of many people that we talk to. And perhaps, Madam Speaker, the most curious bid of all of this is the deafening silence of the Ministerial Councillor who has responsibility for Tourism,

and who had been leading the cruise berthing initiative all along. Ever since GLF fell out of the picture we have not heard from the Ministerial Councillor, my good friend, the Third Elected Member for West Bay. And, Madam Speaker, I gather that there are issues and concerns, but whatever internal issues and turmoil the Government may be going through, in this regard, the country deserves to know what has transpired with the plan to build the cruise ship berthing in George Town. The country deserves to know when it is likely that we will have these facilities. Businesses are dying; taxi drivers and tour operators are unable to pay their loans and mortgages. Restaurants are closing. The economy is reeling.

Madam Speaker, I call on the Premier, Minister of Tourism; I call on the Ministerial Councillor, the Third Elected Member for West Bay, to come clean with the people of this country. Lay all the cards on the table and tell us frankly what the situation is.

Madam Speaker, it would appear that any time there is to be a contractual arrangement entered into by the Government involving significant sums of money, that the Government winds-up in crisis. Such was certainly the case last year when Government sought to obtain financing for the present year's approved borrowings of \$185 million. And I believe that it is against this backdrop that the concluding words of the Premier's Budget Address ought to be considered.

The Premier concluded his Budget Address by saying, and I quote him: **"We believe what we have done—and what we are pledged to continue doing, to take further—is to restore a quiet confidence in Cayman, for the right reasons. Why? Because we are prudent, because we are fair and reasonable, because we believe in the rule of law, and because we apply ourselves to the onerous task of governing well with integrity."**

Madam Speaker, with those powerful words in mind, I wish this House to consider the following facts:

- On Friday, October 22nd 2010, the Government announced that it had secured financing for US\$185 million to fund the borrowings approved by the Legislative Assembly in the 2010/2011 Budget. In doing so, the Premier admitted that he and the Government had ignored the decision of the Central Tenders Committee to award the financing contract to a joint venture of two local banks—Royal Bank of Canada and First Caribbean, and had instead awarded it to Cohen and Company. The Premier overrode the recommendation of the advises in his own Ministry, the Ministry of Finance's Technical Evaluating Team, as well as the decision of the Central Tenders Committee, and handpicked a New York firm to provide the financing.

- In an address to the country which was broadcasted on Radio Cayman and Cayman 27, the Premier sought to justify his actions and those of his Government, claiming that he had "acted in the best interest of these Islands in selecting Cohen and Com-

pany.” He said that that decision (I’m quoting him); “I’m sure will save the Cayman Islands many millions of dollars in interest costs”. He went on to add; and I quote: “I received copies of an amended proposal from Cohen and Company in mid October. This proposal provided an innovative solution that enables Government to limit its interest rate. So, this proposal allows Government to benefit from the current low interest rates while guaranteeing that the interest rate will never go above the agreed fixed rate. Ladies and gentlemen, this saves the Cayman Islands Government tens of millions of dollars.” But then astonishingly, the Premier went on to say: “It’s not possible to give an exact figure about the interest until the long-term financing facility is finalised.”

○ And then, Madam Speaker, we have adding to the mystery surrounding this interest rate, the fact that the UDP Treasurer, Peter Young, called *Crosstalk* and in a discussion which lasted the best part of an hour, described in considerable detail the process involved in arriving at the decision of the Premier to choose Cohen and Company. However, despite what appeared to be intimate knowledge of the details which made the arrangements with Cohen and Company such an attractive deal for the Cayman Islands Government, Mr. Young was unwilling to disclose what the interest rate on the loan would be.

Madam Speaker, in choosing Cohen and Company, over a joint-venture by two local banks, the Premier went against the recommendation of his own Ministry’s technical advisors and in his own words, overrode the decision of the Central Tenders Committee. In doing so, Madam Speaker, he acted unlawfully. This is a grave and monumental step for the elected Leader of the Country to take. And the first obvious question therefore is, why? The Premier says it was to save the country money, but he has never said how. Nor has he explained why he invited Cohen and Company to make another proposal after the Central Tenders Committee had already decided to award the financing contract to Royal Bank and First Caribbean. Neither, has he explained why he did not invite all the other bidders to engage in negotiations or to present another proposal to Government in the way that Cohen and Company was invited to do. Nor has he told the country why Cohen and Company was singled out for special treatment in this way.

The Premier said that he—and I quote him: “had to decide whether to choose substance or to choose process”. But, Madam Speaker, contrary to what the Premier seems to believe, the process is also critically important and not just for compliance with the rule of law. When due process is not followed it opens up the ominous prospect of corruption. The spectre of corruption has the capacity to undermine any Government’s reputation, including ratings by Standard and Poor’s and Moody’s. If potential bidders come to believe that the process of awarding contracts is not fair, predictable and transparent, then the

attractiveness of this jurisdiction as a place to invest is lost with potentially dire consequences.

Madam Speaker, given the apparent unlawful nature of the Premier’s and the Government’s handling of this matter and the serious issues which this transaction raised in a national address shortly thereafter, my predecessor in office, the First Elected Member for George Town, called for the following:

- An immediate full and frank disclosure by the Premier and the Government of the details and circumstances surrounding the purported award of the financing contract for US\$185 million to Cohen and Company.
- An explanation by the Premier and the Government of the reasons why Cohen and Company were singled out and the other bidders excluded from the final round of negotiations, which resulted in the purported award of the financing contract to Cohen and Company.
- Disclosure by the Central Tenders Committee and the Premier and Government of all documentation related to or connected with the tendering process which resulted in the award to Cohen.
- A report from the Attorney General regarding the legality of the Premier’s and the Government’s action in overriding the decision of the Central Tender’s Committee to award the financing contract to Royal Bank of Canada and First Caribbean, and then awarding it to Cohen and Company.
- And, a special investigation by the Auditor General into the circumstances surrounding the tendering process and their purported award by the Premier and/or the Government of the financing contract to Cohen and Company.

Madam Speaker, we have never received a response to these calls, other than an indication from the Governor who told me that the Auditor General was looking into the matter. Thus far, no report has been forthcoming.

[inaudible interjection]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Subsequently, in February of this year—

[inaudible interjection]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: —after the Government had received substantial advances from Cohen and Company with respect to the loan, the Premier announced that the Cohen agreement had been terminated because, after all, it could not provide the previously agreed rate-cap on interest, and as a result, First Caribbean had been awarded the financing contract.

Madam Speaker, we will not let this matter die. The people of the country are owed a proper explanation, an accounting by the Premier and the Government for their regular and apparently unlawful course of action which it took in relation to this critically important matter of securing finances. In light of the termination of the agreement, the Premier, as Minister of Finance, should also explain how much the Cohen arrangement actually cost the Government; nothing less will be satisfactory.

Madam Speaker, I want to say a few words about "Education" and the situation with crime in Cayman.

The Speaker: Honourable Leader of the Opposition, is this a good time to take a short break—

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Yes, Madam Speaker.

The Speaker: —before you begin another subject?

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Yes Ma'am.

The Speaker: We will suspend the House for 15 minutes. Please be prompt in returning.

Proceedings suspended at 6.00 pm

Proceedings resumed at 6.42 pm

The Speaker: Honourable Leader of the Opposition continuing his debate.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Thank you, Madam Speaker.

Madam Speaker, I want to conclude with a few words about Education and the situation with crime.

Recently, the Minister for Education announced that the Government would be embarking on a project to upgrade the primary school facilities. An article in the [Caymanian Compass](#) of the 13th of this month (two days ago) reads:

"Over the past few weeks, ground was broken at the George Town, Savannah and Bodden Town Primary schools.

"George Town Primary School will receive a 17,510-square-foot addition, which will include nine classrooms with self-contained storage and restrooms, in addition to a school library, five administrative-support spaces and an outdoor play area.

"The 12,000-square-foot space earmarked for Savannah Primary will add eight new classrooms, also with self-contained storage, restrooms and a library. For Bodden Town Primary, the new 5,300-square-foot wing will add six class-

rooms, a school library and new administration office.

"Education Minister Rolston Anglin said the upgrades are part of his ministry's strategic plan to further develop Cayman's education product.

"He cited aging primary school structures, costly maintenance of modular units and diminishing classroom space as the chief motivators for the expansion project.

"Most primary school classrooms are cramped, leaving teachers and students with even less space as the enrolment numbers increase each year," he said.

"These upgrades will both solve that problem and make provision for future growth. I believe they'll make a huge impact on teaching and learning, at minimal cost."

Madam Speaker, this is welcome news indeed. Although it is quite curious that the Government is willing to spend money on the primary schools expansion project, which is needed, the hurricane Hilton project and—

[laughter]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: —the repaving of our roads in Cayman Brac and West Bay, but at the same time protesting that it cannot afford to finish the high school projects.

Madam Speaker, it would seem that the Government really does not want to finish the high school projects. Perhaps, Madam Speaker, [it is] because they were commenced under our administration. Certainly, Madam Speaker, the Minister has gone to extreme lengths to dissuade anyone from utilising those, what are to be state-of-the-art facilities.

I don't recall in all the years I have been here, any Minister badmouthing projects for which they are responsible quite in the way that the Minister for Education has done over the course of the past couple of years. But, Madam Speaker, regardless of all of that, the Minister and I, it does now seem, agree that the physical plans of our country's Education system are in need of upgrades.

I was gratified also, Madam Speaker, to read another quote from the Minister extracted from the [Caymanian Compass](#) last month, 26th May, in which the Minister said this: **"The fact of the matter is that one of the first things after taking office that became very obvious to me is that facilities are getting in the way of teaching and learning."**

Madam Speaker, I have known this for quite some time, and it is the reason why under my leadership my administration undertook the development of the two vital high school projects; the same high school projects for which I have been and continue to be so wrongly criticised.

Madam Speaker, I also developed plans for a new primary school in George Town for the very same reason. But the Minister of Education had previously supported Premier Bush when he said that our students do not need new and upgraded schools and that our students could learn outside under a tree. Madam Speaker, the truth is, if our people are to compete in the global market that the Cayman Islands is a part of, we must ensure that they have access to world class learning education when they are students.

That means providing the very best learning environments and educational tools that we can. This is a reality, Madam Speaker, that seems to have been dawning upon the Minister of Education as of late. Otherwise, why would he have made those recent comments on learning environments?

Madam Speaker, with the Minister's condemnation of our unemployed population as 'unemployable' in November of last year, and his recent statement that physical environments affect teaching and learning in the past few weeks, one might wonder at the lack of enthusiasm he demonstrates in completing the John Gray and Clifton Hunter High Schools, and the eagerness with which he breaks ground on primary school expansions. Because, Madam Speaker, if our education system is turning out unemployables one might think that it would be prudent to catch the high school students before they leave the school system ill-equipped, and find themselves in the 'unemployed' or as he says 'unemployable' bracket.

Madam Speaker, I take this opportunity to urge the Minister of Education to complete the two high schools for the sake of our children. With no completion date in sight or set since the last announcement in September 2010, we are all left to wonder at when secondary students and teachers will experience the benefits of better learning environments as the primary school students seem slated to do in relatively short order.

Madam Speaker, I turn finally to the issue of National Security. I hear that crime is down. I keep hearing that often from the Royal Cayman Islands Police Service. However, the headlines and, more importantly, the victims of crime are saying the opposite. Headlines from various media houses over the past three months include "Heroes nab two robbers", May 2nd; "Three armed men sought on robbery", June 2nd; "Second gas station robbery shot fired", June 3rd; "Shot fired as would-be robbers foiled", June 6th; "Pizza-man shot with flare gun", June 6th; "Robbers pick wrong door" at CNB, June 7th; and Resident slams door on robbers", June 9th.

I hear that crime is down. But it would seem that crime and certainly robberies—violent crime—continues to be on the rise.

Madam Speaker, on 15th April, the *Caymanian Compass* printed an article titled "[Two Weeks Without a Robbery](#)". It reads: "**Despite a prodigious tally of**

robberies so far in 2011, the month of April has started peacefully.

"Royal Cayman Islands Police Chief Superintendent John Jones told a group of tourism industry professionals at the Marriott Beach Resort Wednesday that he didn't want to jinx anything, but that he's encouraged by the recent absence of robbery reports. 'But just lately we've seen a decline [in robberies],' Mr. Jones said. 'We have, of late, caught a lot of the bad guys. I'm wary of handing out too much praise....but we actually managed to get through a week without a robbery last week.'

"Actually, it was two weeks in a row. The last robbery to occur in the Cayman Islands was on 31 March at the First Caribbean bank branch at Plaza Venezia in George Town—that was exactly two weeks ago at press time Thursday." (I am still reading from the article, Madam Speaker.)

"Earlier in the year, between January and mid-March, Grand Cayman was averaging between two and three robberies a week.

"In the past few months, local police have made arrests in several high-profile robberies; including the arrest of three young men who allegedly held up two tourists on Barefoot Beach, and two suspects accused in the robbery of the Tortuga liquor store in West Bay.

"Police Commissioner David Baines told the Marriott audience that the recent drop off in robberies follows a marked decrease in overall crime since the start of the year. Mr. Baines said serious crime had fallen 39 per cent between January and mid-March and that overall crime decreased by some 27 per cent."

Madam Speaker, I understand the pressures that the Royal Cayman Islands Police Service is under. And, obviously, the economic conditions in Cayman do not make things any better. Not that for a moment I am in any way trying to condone crime, but the reality is that economic conditions do increase the incidences of serious crime.

But, Madam Speaker, I do not believe that the Government is giving the issue of crime the kind of attention that it ought to. We cannot, Madam Speaker, take the view that this is something within the remit of the Governor and, therefore, when the Premier addresses the country in his Budget Address, he simply refers to a relatively small number of measures that are being implemented by the police to deal with or improve control of our borders and reduce the incidents of crime, and the trafficking of drugs and guns and so forth into the country in that way.

Madam Speaker, I would have expected that the Premier would have addressed the nation at quite some length, acknowledging the seriousness of this situation with crime, by telling the country in some detail how it is that his Government was proposing to deal with this matter. But, Madam Speaker, that has

not been the case and I believe a big part of the problem that we are experiencing with crime is because the Government will not own the issue; it keeps hiving it off to the Governor and saying it is his responsibility and that of the Royal Cayman Islands Police Force, and, in particular, Commissioner Baines.

Madam Speaker, until we actually own this issue; until the Government actually owns this issue and gives it the kind of consistent attention that it gives to other key issues in the community, we will never, I believe, get a proper handle on it.

Madam Speaker, there is a crime prevention strategy which was produced by the National Security Council. Copies of that have been given to all Members of this House, but it still has not been made public. But I do believe that when it is made public, most people who read it are going to be somewhat disappointed, not because there is not very good work contained in the document; I've read it. [It] goes into what the core issues are that have resulted in increased number of criminals and criminality in the community, but there is little or nothing really in there that addresses the immediate present problem of places being robbed on a weekly—sometimes on a daily—basis. And we really truly have to get a handle on this, not just because of its impact on the economy, not just because how it impacts tourism and perceptions about Cayman, but for our own sense of wellbeing and security, those of us who live and work in this community.

Madam Speaker, I conclude my presentation today by stating . . . I'm sorry, Madam Speaker, I had for a moment there forgotten about the statement which the Premier made today, which I do need to at least say something about this evening, although I propose, Madam Speaker, when we have had a chance to properly consider it, make a few inquiries, that we will, as the Opposition, say something more comprehensive about the whole issue of this very big announcement which the Premier made today.

[pause]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Sorry, Madam Speaker, I'm struggling to find this statement.

Madam Speaker, the Premier did indicate in his Budget Address (he did it for a shadow) the Government going into what he has called in the Budget Address, a "partnership" with the Dart Group in relation to range of development projects. And, Madam Speaker, the other side of that arrangement, which are the substantial concessions that Government is proposing to make in order to persuade the Dart Group to enter into this arrangement . . . there are a number of questions which we have, many of which I do not propose to ask now.

I suspect, Madam Speaker, given the responses that we have received from the Premier, that

he may not himself be able to answer most of those questions, and they are to do, Madam Speaker, with the value that is being ascribed or that should be properly ascribed to the concessions which are being made to the Dart Group.

Madam Speaker, I do not, and none of us on this side really have a major problem with the Government or any government in the Cayman Islands exploring various means of enhancing our infrastructure or, indeed, providing whatever services are necessary for the Cayman Islands by talking to people in the private sector, and even coming to certain arrangements with people in the private sector.

The problem we have in principle with what is going on is the sheer size of the Dart Group's investment in Cayman already, the economic power which it wields, its ability to, in one fell swoop, put a number of Caymanian-owned businesses out of business. They have already indicated what their modus operandi is over the course of the past many years.

They have bought up many, many businesses in Cayman. They are now most certainly in control of the wholesale liquor business in Cayman. They, I believe, are close to being in complete control of the duty-free business in Cayman. Those are just two examples, Madam Speaker. And we are concerned, Madam Speaker, already, at the prospect of them wielding this level of influence and control over the Government and what the Government does and does not do, and over development along that Seven Mile corridor, over and above what they already own and control there.

Madam Speaker, these concerns also come back to the point that I made very early in my response to the Budget Address, and that is, why is it that none of these tremendous concessions or anything approaching them which the Government is prepared to make with the Dart Group being offered to local developers, local business people, who would be perhaps prepared to enter into various agreements and to do certain developments in Cayman if the cost of doing so were not so high—if Planning fees were not so high; if work permit fees were not so high; if stamp duty was not so high, and those sorts of things, Madam Speaker?

This agreement, Madam Speaker, is really poised to ensure that local developers are going to be locked out completely of any kind of development along that corridor.

And so, Madam Speaker, we do have major concerns in that respect. There is no question that the Dart Group has made some very, very substantial investments in Cayman, and everything that they have done in terms of projects is top quality stuff. No one is having any issue with that. But, Madam Speaker, there is a bigger picture that we have to bear in mind, and that is, ultimately, who winds up in control of this economy, who winds up in control of what happens in Cayman when Government goes to this extent, al-

though we have not quite seen what it is the Government is going to commit to in writing.

The indications from the statement made today are that this is going to be a very, very huge, and very, very tight arrangement between the Government and the Cayman Islands. And there is no doubt, if it were not the case before, that the Dart Group will exert tremendous influence over what Government decisions are made in Cayman, particularly as they affect the economy, particularly as they affect development in Cayman.

And so, Madam Speaker, we do have some serious concerns about this matter, but we are going to consider this some more, make some inquiries and in due course, say something much more detailed and comprehensive about this particular arrangement.

[inaudible interjection]

The Speaker: Order!

The Premier, Hon. W. McKeeva Bush: *[inaudible]*

The Speaker: Please continue.

The Premier, Hon. W. McKeeva Bush: *[inaudible]*

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Arden you got that letter?

The Speaker: Please stop the asides across the floor.

The Leader of the Opposition is still at his microphone.

The Premier, Hon. W. McKeeva Bush: *[inaudible]*

[inaudible interjection]

The Premier, Hon. W. McKeeva Bush: *[ongoing inaudible interjections]*

The Speaker: Please stop the asides across the floor. I'm waiting for the Leader of the Opposition to continue.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam [Speaker], there's a lot of crosstalk going on about who sold what to Dart. But perhaps we should talk a bit more about the sale of certain condos to Dart and then everybody can have a word.

The Speaker: Ah—

The Premier, Hon. W. McKeeva Bush: But you see—

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: I'll leave that there, Madam Speaker.

The Premier, Hon. W. McKeeva Bush: No, you don't leave it there.

The Speaker: Can you please finish your debate so we can get on? The hour is late and we have to go for another couple of hours.

[inaudible interjections]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, I conclude my presentation today by stating the obvious point: That the fortunes of the Cayman economy are inextricably linked to the fortunes of the global economy. No matter what this Government may say or what it may do, the Cayman Islands cannot escape this fundamental fact of economic life.

So, if the global economy is doing well we can expect some benefits to come our way, mainly through inflows of foreign investment and increased demand for the products of our financial services and tourism industries. However, if the global economy is doing badly, as has been the case these past few years, we will inevitably feel the squeeze.

Madam Speaker, I think it is important that I make this point for the benefit of honourable Members and the public at large. I do so because not so long ago when we on this side formed the Government and the other side constituted the Opposition, there was a calculated attempt on their part to mislead Caymanians that the economic slowdown of the country was entirely the fault of the PPM Government. Caymanians were led to believe that there was an easy solution to the problem.

According to the self-serving rhetoric of the then Opposition, all Caymanians had to do was to vote out the PPM. Once this occurred, manna would start immediately to fall from heaven under the UDP Government and the country would see good times again. This warped thinking underpinned the UDPs core campaign message of "A Better Way forward." But today, two years on, Caymanians are waiting in vain and are becoming increasingly impatient with the Government's failure to deliver on its promise in a meaningful way.

Indeed, when one analyses what our dear country has gone through in the last two years, many are rightly saying that the UDPs promise of a better way forward has turned out to be a *bitter* way forward. The utter chaos which has surrounded the preparation and the delivery of this year's Budget bears solid testimony to this. Never, Madam Speaker, in the history of this country has the annual budget exercise been characterised by such utter chaos and, if I may add, uncertainty.

In the hallowed name of accountability the Premier has no choice but to accept full responsibility for this sorry state of affairs. He has failed to provide effective leadership of the Budget process in his role

as Minister of Finance. Overseeing and bringing this exercise to a timely conclusion ought to have been the Premier's priority No. 1. All the confusion and uncertainty could certainly have been avoided had the Honourable Premier spent more time at home attending to the business of Government instead of flying around the world like a modern-day explorer.

Madam Speaker, today more than ever, the Cayman Islands is crying out for decisive visionary leadership. Our country stands at the crossroads. Many strategic decisions about the future need to be taken and taken urgently. Unfortunately, the longer this Government takes to make these decisions, the greater will be the pain for our country down the road. The time for empty talk is over; the time for decisive action is now.

Madam Speaker, when the global economy eventually emerges from this devastating recession the world will be a different place. A fundamental shift in global economic power is currently taking place. The United States' leadership of the world economy since World War II is waning, and we are witnessing the emergence of new leaders, most notably China, India and Brazil. Cayman needs a well thought-out plan to navigate these uncharted waters. For love of country, I am begging the Premier to stop dilly-dallying about this and deal with these issues.

The latest economic forecast by the World Bank and IMF provide grounds for cautious optimism about the outlook for the global economy. These forecasts speak of a recovery which is gaining momentum, despite concerns relating to lingering high unemployment mostly in the developed countries, the rising prices of oil, and some commodities and the negative impact of the devastating earthquake in Japan earlier this year.

A June 2011 World Bank Report entitled "Global Economic Prospects: Maintaining Progress amid Turmoil," noted that global output grew by 3.8 per cent last year. However, it is expected to slow to 3.2 per cent this year before settling down at around 3.6 for 2012 and 2013.

World Economic Outlook published by the IMF in April observed that recovery of the global economy is gaining strength and that financial conditions continue to improve.

In contrast with the World Bank's prediction the IMF is forecasting a growth of 4.5 per cent for the world economy this year and next year. There is no doubt, however, that global economic activity has started to pick up in a significant way. Against this backdrop a pertinent question which Caymanians must ask is, What is this Government doing to ensure that the economy benefits in a tangible way from the global upturn?

Madam Speaker, the package of confusion presented in a rambling fashion by the Honourable Premier last Friday evening provides no comforting answer, especially for the hundreds of families out

there who are hurting and looking for a message of hope. Again, the Premier and this Government has failed to honour their promise of 'a better way forward'.

On behalf of Caymanians, I again pose the question: What is the Government doing to ensure that our economy benefits in a tangible way from this global economic upturn?

An important observation at the very beginning of the World Bank's Global Economic Prospects Report underscores irrelevance of this question to this Budget debate. The [report](#) observes, and I quote: "**The global financial crisis is no longer the major force dictating the pace of economic activity in developing countries. The majority of developing countries have, or are close to having, regained full-capacity activity levels. As a result, country-specific productivity and sectoral factors are now the dominant factors underpinning growth.**"

Madam Speaker, this observation gives rise to another question: Why is it that the Cayman Islands is not among the majority of developing countries which have, or are close to having, regained full capacity activity levels in its economy? Clearly, Madam Speaker, it must have to do with the absence of the right policies which are necessary to create the enabling environment for economic activity to occur.

The extremely high fees and taxes, which the current Government has imposed on businesses and individuals in this community, are inhibiting that activity resuming.

Again, Madam Speaker, the Government has been caught napping at the wheel. Again, it reemphasizes the need for decisive visionary leadership which this Government is failing to provide at this critical juncture in our nation's history. Trying repeatedly to cast blame on the PPM will not absolve this Government from its responsibility to secure the future of this country.

Against the backdrop of an improving global economy, Madam Speaker, this Budget offers no real hope of any immediate reversal of our fortunes. It was uninspiring, unconvincing, unfulfilling. In short, Madam Speaker, it was unacceptable.

Clearly, the Government needs to return to the drawing board, deal with broader issues other than public finances and come again. While stable public finances are important that alone is not enough to deliver the kind of development that is necessary to secure the future of these beautiful Islands.

Madam Speaker, I thank you for your indulgence.

The Speaker: Thank you Honourable Leader of the Opposition.

Does any other Member wish to speak?
[Elected] Member for North Side.

Mr. D. Ezzard Miller: Thank you, Madam Speaker.

Madam Speaker, let me begin my contribution to the debate on the Throne Speech delivered by His Excellency, Mr. Duncan Taylor, on May 23rd, and the Budget Address delivered by the Honourable Premier and Minister of Finance on Friday, 10th June, where the Minister of Finance ended by, once again, awakening the ghost of King George VI.

[laughter]

Mr. D. Ezzard Miller: And I quote: “I said to the man who stood at the gate of the year, ‘Give me a light that I may tread safely into the unknown.’ And he replied, ‘Go out into the darkness, and put your hand into the hand of God. That shall be to you better than light and safer than a known way.’”

Now, Madam Speaker, I am not sure why the fascination with King George, other than perhaps the Premier is attempting to endear himself with his daughter so that he may be dubbed on each shoulder and become the second knight for the Cayman Islands. However, Madam Speaker, I truly hope that God has him by both hands, and all the rest of us by at least one hand because, *it dark up in ya* with this Budget that we are having to debate! I could not find a single ray of light to give Caymanians any hope or comfort.

[inaudible interjection]

Mr. D. Ezzard Miller: Madam Speaker, I wish to draw your attention to Standing Order 39(c).

The Speaker: Please.

Mr. D. Ezzard Miller: I have sat here, I have disturbed no one. I expect to remain undisturbed for the duration of my contribution. If they can't keep quiet, please go outside.

[inaudible interjection]

The Speaker: I will decide who leaves and who does not. But I will call for order again.

[inaudible interjection]

The Speaker: Member for North Side, please continue.

[inaudible interjections]

The Speaker: And please turn off all the microphones that are not being used.

Member for North Side, please continue.

Mr. D. Ezzard Miller: Are they finished, Madam Speaker?

The Speaker: I've asked you to continue.

Mr. D. Ezzard Miller: Madam Speaker, the theme of the Budget Address is “Navigating Towards Prosperity.” Very nice and catchy! But I hope, Madam Speaker, that it is not intended to find this prosperity through Imperato's 600 ft. wide, 65 ft. deep channel to his mega quarry in East End.

[laughter]

Mr. D. Ezzard Miller: Because I believe that is about to come to a grinding halt.

So, Madam Speaker, I have searched around for a theme of my contribution, as well. And I have settled on an old Italian proverb: “Ho-bono,” translated—“who benefits?” There is no benefit for Cayman and Caymanians in this Throne Speech or this Budget Address.

Madam Speaker, the Throne Speech is no more than a discombobulated mixture of facts and conjecture, most of which is contradicted by the Budget Address. It is difficult to accept or believe that these speeches were approved by the same persons in the same Cabinet.

Let me make a few comments on the Throne Speech first, Madam Speaker. I listened and followed the Governor as he delivered his speech and noted with some concern that, while he spoke briefly about financial restraint and living within our means, I managed to identify some 32 areas that will either increase the number of civil servants, increase the cost of the civil service, or do both, and that is reflected in the Budget numbers. Not a single reference or statement that reduced government expenditure; only two and a half lines, 28 words on page 11, out of 27 pages, to mention as a kind of afterthought on the roll of the Deputy Governor and his commitment to a crime prevention strategy, and provide strategic oversight to the ongoing public service reviews.

Up at the top of the page there was one sentence which says, under the Portfolio of the Civil Service, “**The Portfolio also will continue supporting the steering group and review teams that are carrying out the public sector reviews.**”

Now, Madam Speaker, all Members of this House was apprised of the recommendations of phase one of the public service review. And, if my memory serves me correctly, there was some \$17 million identified in that review, that phase of cutting government expenditure. None of that reflected in the Budget. Because, in spite of the statements made by the Minister of Finance and by the Governor, the hard cold facts are that the numbers show an increase in government expenditure for the next financial year over the current year's expenditure. And the whole purpose of commissioning these reviews, the country was told, was to find ways to reduce the cost of the civil service.

Now, Madam Speaker, on page 3 in the Governor's Throne Speech, he mentions in passing, so-to-speak, "**We hope to deliver a small surplus in the current fiscal year with regards to recurrent revenue and recurrent expenditure.**" Madam Speaker, if that is achieved . . . because, remember now, we are talking about recurrent revenue and recurrent expenditure . . . and one of the big problems that I and others have had in trying to analyse this Budget, is that it appears that the Budget is prepared on the revenue side using accrual accounting, and on the expense side it seems to be using cash accounting.

With the expense side the payables and receivables are not taken into account, and we forget that we have to pay some loans, so we subtract the loan payments and we come up with a surplus. It would be nice if we could go to our bank manager and tell them, Well, *here is my personal statement. I didn't include the mortgage on my house that I owe you; I didn't include the loan on my car and truck; and I didn't include the loan on my boat. But I got a wonderful personal statement.* That's what we have done here in this document.

Madam Speaker, some of the areas . . . and I think the Deputy Governor in a statement here guesstimated the cost of the Bill of Rights and Freedoms and Responsibilities to be somewhere around \$15 million to \$17 million. That has to be addressed under the new Constitution.

The Governor said he welcomed the reduction in crime figures. But, Madam Speaker, I welcome the reduction myself. But I know for a fact that in my community citizens are no longer bothering to report crimes to the Police Force because of the response and the delayed response, and what happens even when they catch these people red-handed with weapons inside of the houses. They charge them with criminal trespass instead of aggravated burglary where they would get 14 or 15 years, and they get nine months community service.

The person has a rap-sheet from here to East End—almost as long as Joe Imperato's channel—but he gets nine months of community service. So, I know for a fact that crime in the district that I represent is being under-reported to the Police because they have no faith in the Police taking proper action with the crime. I encourage them, Madam Speaker, to report it.

The other comment they make to me is, *When I call, the Police tell the people I called.* And, Madam Speaker, I did not believe that until it happened to me personally. I reported some people setting up shops on the side of the road at Frank Side on the day that we launched the petition against the Seaport in East End. And, Madam Speaker, I did not use my phone at that location, so that nobody from the shop that was being set up could possibly know that I had used my phone. I used my phone in the Member for East End's truck on our way to East End to pick up tables.

When I came back to the site, the lady came to me and asked me why I called the Police to stop them. And the Governor laments in the Throne Speech why the Police cannot get community . . . public confidence remains an illusive goal and we wonder why.

Madam Speaker, this Member is certainly disappointed and not impressed by the strategic document produced by the National Security Council on crime after meeting for well over a year. Madam Speaker, on page 6 the Governor talks about good governance and respect for human rights. And, Madam Speaker, as I have said in other forums, the only phrase more overused in this country today than "transparency and good governance" is, "I love you."

[inaudible interjections and laughter]

Mr. D. Ezzard Miller: Madam Speaker, on page 6 there is a brief mention of the Office of the Auditor General. But we have no chairman for the Public Accounts Committee. Yet we see that he is going to do six financial and performance audits for 2011/12. And not anticipate the debate on the Public Finance Law, Madam Speaker, but while I have always advocated and promoted amendments to the Public Management and Finance Law, I cannot support some particular sections of the Bill that the Government has supported. But I will deal with that when the Bill gets here, Madam Speaker.

Now, Madam Speaker, one of the most curious things in the Throne Speech is on page 8, "**The success of the drug rehabilitation court has resulted in the planned establishments of similar courts for mental health and domestic violence issues.**" Madam Speaker, in my background mental health is a disease, not a crime. So, why is the Government spending taxpayers' money to set up a mental health court?

On page 9 is another curious thing that seems to continue ad-infinitum: "**Freedom of Information Unit will offer public sector training and support on the Freedom of Information Law, and it will work on the eventual introduction of data-protection legislation.**" Now, Madam Speaker, I would think that having passed the law, having set up the Commissioner's Office, that this could be one of the units, departments, whatever you want, in Government that could be closed down. Because, I get mail on a regular basis from the Freedom of Information Commissioner, all about training and information and everything else, so this has to be duplication. But there's a good place that we could save some money.

On page 13 we see that the Department of Community Rehabilitation staff will play a significant role in the first phase of implementation of the Alternatives Sentencing Law. I'm having some difficulty finding the resources in the Budget for the implementation and administration of this Law. I agree it is a good law.

I agree it needs to be funded. But maybe we can take that money from the Freedom of Information Unit and try to help these people by providing them with the resources to be able to administer the law. Because, I think it is going to be very difficult for the skeleton staff that exists in the Unit to properly and adequately administer the law.

Now, Madam Speaker, on page 16, under the Ministry of Finance, Tourism, and Development, the Government says that it is also continuing with plans to develop cruise berthing facilities in George Town and Spotts. Negotiations and proposals for these developments enhancements are ongoing and the Ministry intends to complete these projects within the next two years. And we just had an announcement by the Premier that these are going to a new company and that he hopes to sign some agreement or some contract by the end of November.

I think the proposal that was tabled today includes another cruise dock in the Turtle Farm as well. So, one thing, Madam Speaker, this country is going to have here in the next couple of years is a lot of docks; two in George Town for cruise, one in Spotts and one at the Turtle Farm, two in East End.

It says the Government will also continue to pursue its policy of enhancing the Cayman Turtle Farm through a partnership lease. I hope that that comes to fruition soon because it would be an opportunity to save some \$9 million or \$10 million in expenditure subsidising that operation on a regular basis.

The, Madam Speaker, on page 18 we find in the area of development ongoing plans include a new cargo facility in East End. **“The developer has completed a comprehensive Environmental Impact Assessment which has been reviewed by the Department of the Environment and is now posted online.”** I would conclude that it is the EIA that has posted it online and not the review by the Department of the Environment because I cannot find that anywhere.

“This is in keeping with the commitment to follow due process in the necessary approvals and public consultation which the Government welcomes.”

And we had the Press Secretary for the Premier quite recently issue a press statement saying that no decision had been made in going forward with this port. And we had the developer hold a public meeting in East End last week, and if my memory serves correctly, he said he was either going to submit the completed application, which he pointed to on his desk, which was a substantial stack of documents, including the draft legislation, to the Government on either the Friday or certainly within the next few days.

We eagerly await the Government's denial and statement that that project will not be going ahead. Because, Madam Speaker, I attended three public meetings about this port. At the one in North

Side, we had some 45 people. Every single person there voted against the port.

I attended a meeting in East End with the Member for East End, the Leader of the Opposition, and the First Elected Member for George Town, and every single person in the room that night voted against this port. At the meeting the developer had, when he [asked for the] vote, “those in favour,” two persons put up their hand; every other person in the room raised their hand in opposition to the port.

I know that I have collected substantial signatures in my community against it. I will leave it to the Member for East End to say how many he has collected there. But there is substantial opposition. And while I congratulate the Government for deciding not to proceed with the dredging in the North Sound on the construction of the two islands, for whatever reason, I hope that they will be minded to tell this developer that the project in East End will not be going forward.

Madam Speaker, I never came out in opposition to the East End Seaport until I sat down for almost three hours with the developer. And he had lots of wonderful pictures of ships and ports and pretty blue water. But I told him that if he wanted to win my support, we needed to talk about the business plan to the port. And he said he did not have the business plan. And I asked him how he proposed to make back his investment and he told me (and I have a witness) that he expected to net in the region of \$150 million from the sale of the rock.

He further went on to say that he would not be involved in either the construction, that is, the conversion of the hole in the ground to a port, nor in the operation of the port. That would be the prerogative of the Cayman Islands Government and the Port Authority. He confirmed that even though he had just told a person before me that he was going to build the port . . . that was what he in fact did say to me in East End. And that he was not building the cargo port.

Madam Speaker, again, I must express my disappointment that under the Ministry of Finance, Tourism and Development, the Governor has not made any mention of the accounts of Government and what is going to be done about them. Or what is happening with the Public Accounts Committee in this Parliament.

Madam Speaker, those accounts need to be done. Most of them have been done in some form or fashion. Most of them, when the auditors looked at them, issued a disclaimer, but they need to be done, and the country deserves to have them done. In particular, Madam Speaker, the accounts for the financial year, 30 June 2010, and the financial year ending this month, should be properly accounted for. As chairman of the Public Accounts Committee, I sat with the treasury section of the Ministry of Finance, with the CFOs, with the Auditor General, and we identified all of the problems that they were having with their accounts.

We agreed on a format for the accounting to be done; we agreed that the consolidated accounts would be a lot easier to be done because we had a format which did not exist before that. This happened in June 2010.

Every Chief Officer in Government and every Chief Financial Officer came to this honourable House and gave the Public Accounts Committee the absolute assurance that the accounts for the financial year ending June 30, 2010, were up-to-date and they would be submitted to the Auditor General in accordance with the Law. It is recorded in the *Hansards* of this House.

So, for the Government to now be proposing an abrogation of that to go on to the end of the current financial year until next year, Madam Speaker, should not happen in this country. The accounts need to be done. The Public Accounts Committee needs to be properly constituted, and it needs to meet and do its work.

Madam Speaker, one of the contradictions that exist between the Budget Address and the Throne Speech is on page 19; and also in the "For-Cayman Investment Alliance" with Dart Cayman Islands, June 15, 2011.

On page 19 the Governor says that the Department of Environment Health staff will promote a comprehensive facility of solid waste disposal management and waste to energy for Grand Cayman. The Budget Address says we are not doing that. Now, Madam Speaker, one of the hopes of several Members, and for me and many of the people in my constituency was that the possibility of a waste-to-energy producing cheaper electricity than diesel, and the added possibility of being able to make water as a waste product.

Many Caymanians are looking forward to that provider with a reduction in the cost of living. But now it is being abandoned and we hear that the new kids on the block, Dart, Cayman Islands, are basically going to do everything and save the day for all of us. Now, Madam Speaker, towards the end of my debate I will have some things to say about that agreement.

Let me turn now to "Navigating Towards Prosperity." Madam Speaker, the most fascinating and intriguing thing about this Budget is, as I said earlier, that it appears to me that the revenue is done under accrual accounting, expenses are done under cash accounting. And that is not by accident.

On page 4 the Premier, Minister of Finance, says that maintaining fiscal discipline and providing services is the theme of this year's Budget Address. Glad to hear that. I agree with him that that should be. Unfortunately, Madam Speaker, when you look to the numbers that are put down in the consolidated statements at the back of the document, that is not demonstrated in any way at all.

Now, Madam Speaker, I congratulate the Government on only having to introduce one revenue measure and also on having no external borrowing for the next financial year. I think that is a substantial

achievement. But, Madam Speaker, I do not understand how the Government is going to use the new revenue measure of \$1,500 per year for these specialised funds to subsidise Caribbean Utilities.

Is the Government, who is estimating 4.5 million, going to divide that by 12 and cut a cheque for Caribbean Utilities at the beginning of every month in advance for \$375,000 or thereabouts? And then Caribbean Utilities will somehow apply that to some residential customers who are identified by the Government, whether on consumption rates or whatever it is?

Madam Speaker, I do not believe that that is likely to have a huge effect on the level of savings for individual residential customers to allow them to have a higher disposable income to help with the high cost of living due to the increased electrical fuel cost on businesses.

Madam Speaker, I have tabled a Private Member's Motion that will give the government the opportunity to reduce the cost of electricity, if it is ever put on the Order Paper for the House.

But, Madam Speaker, the most curious thing is at the bottom of page 4, where the Premier says that an extra hour of daylight could encourage more physical activity through outdoor exercise by introducing Daylight Saving Time. Now, Madam Speaker, unless we are going to change daylight savings time after seven o'clock every day when the sun rises, we are not going to get an extra hour of sunlight. Now, we all know the case of the lady who was glad to have daylight savings time because her plants were going to get more sunlight.

Madam Speaker, while I would not oppose the introduction of Daylight Saving Time, because of the benefits it may have in the financial industry, it is going to be rather disruptive for people in my community. Because, Madam Speaker, the children who are now getting up at 5.30 to get on a bus to come to George Town, will, in fact, be getting up at 4.00. And they are not going to go to bed any earlier, because they are going to bed by the sun setting, not by the time on the clock.

When it gets to this time of the year, exam time, it could be very disruptive to students from my constituency having to get up early to come to school.

[inaudible interjection]

Mr. D. Ezzard Miller: I believe, Madam Speaker, that the students in my community are just as capable of learning as the students from the Premier's community. And I will put my academic achievements against his any day the sun rises.

Now, Madam Speaker—

The Premier, Hon. W. McKeeva Bush: Madam Speaker, on a point of order.

The Member made a reference in regard to students, and pointed to my constituency as some-

thing was being said about students. Nobody said anything about students in his constituency, if that is what he was drawing reference to.

We have a healthy respect for all students. That is why we are trying to finish the school up there which would predominantly serve his district and all the eastern districts.

[inaudible interjections]

The Speaker: Member for North Side, please continue.

[inaudible interjections and general uproar]

Mr. D. Ezzard Miller: I think I require you to rule whether that was a point of order or not, before I continue.

The Speaker: It was not a point of order.

Member for North Side, please continue your debate.

[inaudible interjections]

Mr. D. Ezzard Miller: That's okay, Madam Speaker.

Madam Speaker, on page 8 the Premier talks about how there is also no room for complacency in pursuing our labour force strategy. Now, Madam Speaker, having made that statement I am disappointed that the figures on the income side reflect a 25 per cent increase in work permit fees, which surely indicates that the Government intends to issue more work permits in 2011/12 than they did this year, because there is no proposal to increase them.

Madam Speaker, I would have preferred to see a reduction in the income from work permits which would allow space for qualified Caymanians coming back from university to get jobs, and for qualified and experienced Caymanians already in the workforce to move upwards in management towards partnership and ownership in the businesses of this country. Because, Madam Speaker, the long-term sustainability for the economy in this country, either in Tourism, or in the financial industry, does not lie in importing people at the top with money making them make more money on the backs of Caymanians and retiring with big money leaving the Caymanians with the crumbs.

History has proven, Madam Speaker, that that model used in the past has not worked. Look at the board rooms in the financial industry. How many Caymanians do we see there? Oh, Madam Speaker, they will tell you that they have some "CUFs"—Caymanians Up Front—so they can pacify the Immigration Board and other people. But talk to the qualified Caymanians who are working in these institutions and how they are having to train people that are brought in who are supposed to be experts in these

things and more qualified than the Caymanians, but the Caymanians are not receiving any training from the foreigners who work above them on the job.

I keep telling the Caymanians, Madam Speaker, remember three little words—"I don't know." Let them struggle! But we bleeding heart, Caymanians, you know, we are going to help them out. Then, they go to the cocktail parties and they backdoor the Caymanians and they get the promotions and the Caymanians are left to wonder and told, *You don't use social networking enough so you can't get promoted.*

Madam Speaker, the young qualified Caymanians are getting more angry and frustrated every day! If we do not do something to make room for both the young Caymanian graduate who has gone overseas to a different culture, his family has struggled financially to put him through an education; he is probably stuck with a student loan and other financial loans to pay, and he comes back here and can't even get an interview.

And they tell me, they say: "*Mr. Ezzard, I don't understand. From January the people in my class have been head-hunted by corporations all over the United States, and not a single company from Cayman has called me. And when I came here and carried my qualifications and CV they treat me like I am insulting them; like I don't belong there; I have no right to apply for the job.*"

And then other members of the family who sacrificed for that one person to get their education see that they are not getting the opportunity that they should get; they are becoming angry and they are becoming frustrated.

Madam Speaker, you know it is so easy to do in Cayman. We can call the Department of Immigration today and we know we have (and I'll just pick a number) have 500 accountants. And we know we have 20 Caymanians coming back with accounting degrees and/or professional qualifications from school. Simple arithmetic, next year the work permits is only for 480. Force the companies to compete for the Caymanians. The only thing in a capitalist society in a free world that is high demand and short supply and has no value, is qualified Caymanian labour.

And, Madam Speaker, I am not talking about the people down at the docks selling fish, about making them bank managers. I am talking about intelligent Caymanians who have gone to good schools. And it is not only in the financial industry.

I was speaking to a good friend of mine whose son has just come back from England with two certificates in plumbing and he can't get a job. I have a young man in my community, graduated over a year ago with a degree in architecture and project management. I personally called three architectural firms trying to get him a job. "We don't have any vacancy." But they have permits!

Now, Madam Speaker, somewhere we have to find a way to ensure that those types of Cayma-

nians get their foot in the door and get an opportunity to earn a living and don't wind up doing what this architect is doing, operating a sport fisherman's boat because it is going to lead to problems.

And combine that with the fact that all of those who come here are at the top and do well at driving around in their \$200,000 cars, and they are building the \$500,000 houses, and splashing their wealth! Class structure was never a big problem in Cayman but it is getting there, because they want to show us that they have done better than us in our own country.

But every time I pick up the newspaper the Government is doing something to make it easier for somebody to get a work permit. Their politically appointed boards tell me that they told, *listen we need the revenue, grant the permit*. I know one young professional man who resigned on principle because of one situation where he knew about the situation and the Board still gave the man the permit.

Now, Madam Speaker, on page 9 we see about the surplus of \$3.5 million for core government and the entire public sector. When we look at the numbers in this document we see that not only have we conveniently excluded the finance payment, but we have ignored the core government payables for \$68 million, and receivables of \$35 million, which gives us a deficit of \$33 million. The entire public sector—payables of \$65 million, receivables, \$58 million, a deficit of \$7 million. But we have produced a speech that says we have a surplus.

And they do not deny, Madam Speaker, what they have done. They make it clear on page 21 where they say operating expenses are projected at \$489 million for 2011/12, so that the surplus of central government after deducting \$38.8 million of financing costs and expenses arising from foreign exchange transactions is forecasted to be \$12.1 million.

But, Madam Speaker, that is bad enough you know. But when you open this document and look at the actual page and the numbers, it is not \$12 million, it is \$3.6 million for core government; \$535,882 revenue; \$532,203 expenditure—\$3.6 million. But the speech says we have \$12.1 million.

Now, Madam Speaker, [DIGITAL SKIP] kinds of inconsistencies should not happen; should not happen, because you are misinforming the public. And, Madam Speaker, this notion that we have reduced expenditure, again, is not representative of the figures on this page, page 305. The projected revenue for 2011/12 is up by \$10 million. The projected expenditure is up by \$12 million. Madam Speaker, where is the reduction in expenditure?

If we go to the entire public sector, page 339, we will see that revenue for the entire public sector (that is, core government plus statutory authorities and government companies) is up by \$18 million. But expenditure is also up by \$18 million, so where is the reduction? There is none!

Now, Madam Speaker, one of the other big claims by the Premier is increase in net value. Increase in net value 2012 over 2011; 0.008 per cent. But they say it has been increased. You would think it was a substantial increase; at least one per cent. I mean you don't go too far beyond the decimal point. Stop at the first place, you know? Going to the third decimal point is . . . most people don't round off that far.

Another thing, Madam Speaker, that they place a lot of confidence in is the increase in Gross Domestic Product. Madam Speaker, an increase in Gross Domestic Product does not always translate to a better situation for the middle class in the country. It is one of those things that economists like to throw around that is a great thing; increase the Gross Domestic Product. But if we have a man coming here to build a seaport in East End, he is going to increase the Gross Domestic Product by a couple of hundred million, but he is going to take it all back out with him. That is not helping the man on the street in Cayman.

And, Madam Speaker, the public can forget about those so-called projections and fancy Walt Disney type movies and stuff that he plays when you go down to meet with him about this port in East End, where he is going to employ 300 people. The current quarry is totally operating in Cayman today and employs less than 120 people. High Rock, in this heyday, when it did all the quarrying, all the blasting, had its own trucks, had its own drivers, had its own maintenance crew, most people that would employ would be 110. So, where is this man going to employ 300 Caymanians in his mega quarry? He has no intention of employing them.

Now, Madam Speaker, let me deal a little bit with the handling of this cruise terminal in George Town. Madam Speaker, you know that I no longer submit questions to this honourable House because they are never put on the Order Paper. I have questions submitted from June 2009 that have never made it to an Order Paper. [They were] all approved, [were] all in order, met all of the requirements of the Standing Orders, they just never appear on the Order Paper. So, I use FOI (Freedom of Information) because, at least, I have a judicial process and I won't be appealing from Caesar unto Caesar.

So, Madam Speaker, I sent an FOI request to the Port Authority and I asked for a number of things. I asked for a copy of the . . . well, let me read it for you, Madam Speaker, so that I can get it right: "Copies of the Board Minutes of the Meeting at which the termination of the Agreement with GLF and Royal Construction was discussed; copies of any correspondence from the Premier to the Board in relation to the decision to terminate the Agreement between GLF and Royal Construction; copies of all correspondence from the Committee established to select a developer of the Port that worked with GLF and Royal Construction to the Board."

Their response: Question 1 has been granted in part—"We have opted to delay the release of the Board of Directors' Minutes as they are only in draft form and have not been formerly approved by the Board of Directors."

Madam Speaker, up until today some 70-odd days from today's letter, and at least, I would assume two successive board meetings of the Port Authority, these Minutes have not been signed. But we talk about good governance and stewardship and all of those fancy words.

To the second question: "The Premier met with the Board of Directors on April 20, 2011, and informed them that he had terminated the GLF framework agreement. The Minutes of this meeting are in draft form and await the Board's agreement; the Directors to formerly adopt it. No meeting has taken place since this. Once these Minutes are signed we will be happy to provide you with a copy." Still has not been approved, and still not signed.

Unfortunately, for questions No. 2 and 3: "The Port Authority of the Cayman Islands does not possess any records of these matters, therefore no records exist which contain the details of your request. Should this final decision not satisfy you, you are entitled to . . ." whatever, whatever.

So, Madam Speaker, having learnt that there was no correspondence, I then sent a second FOI and asked for the terms of reference with which the Committee that was announced and made up of (and pardon-me, Madam Speaker, for calling their names), the Honourable Cline Glidden, Mr. Dwayne Seymour, Mr. Ellio Solomon, Captain Eugene, Mr. Woody Foster and Mr. Stefan Baraud. And I was told that there were no terms of reference under which this Committee was established.

Now, here, Madam Speaker, the Government is appointing the committee with the Chairman and Deputy Chairman of the Port Authority Board on it, to handle negotiations for two, \$300 million [agreements] on behalf of the people of this country, and it is appointed with no terms of reference.

Then we see today, Madam Speaker, we got an announcement that the Premier signed a Memorandum of Understanding with China Harbour Engineering Group to do several ports. And when asked, the details are left to be worked out; but the announcement is made. Madam Speaker, I can tell you, if you go to the *Observer* newspaper in Jamaica . . . since I don't have their permission to table it, I won't. But if you go on that site you will see that China Harbour Engineering is under investigation by the Contractor General in Jamaica for US\$9 million to construct with less than one kilometer of road in Christiana.

But in our due diligence in dealing with these people . . . Madam Speaker, this announcement has been in the media now for several weeks, and I am still waiting on the Attorney General to give me a defi-

nition of a Ministerial Memorandum of Understanding, because I don't know what that is, and I have been around Government for quite awhile—right?

But in all of this due diligence now, and we are probably talking somewhere in the region of \$.5 billion that these people will be involved here with the number of docks that they are doing. And there were reports in the press that they might also be doing the airport and God knows what else. Now, Madam Speaker, I hope this is not the same group that the Prime Minister of the Bahamas had to recently go to Beijing about because they were bringing 8,000 Chinese into the Bahamas to work on their hotel there, and he managed to get them down to 6,000. But we will wait and see.

I can tell you that when you land in Kingston Airport and you pass the roundabout, if you look to the right you will see a big sign over the gate, it's all in Chinese. I can't read a word of it. There's a huge compound there with a chuck wagon and everything else. They are building the highway, the new Palisades Highway. It is already substantially over budgeted. Because, Madam Speaker, what these people do, according to the media reports that I have read, is, they come into your country like ours—I will lend you \$2 billion, but I am going to do the work, I am going to bring my people in to do the work. So, they are going to send the money that you paid them back to China, because they are going to live in a little compound, they are not going to be out here renting apartments on Seven Mile Beach now *ya nah*, or around George Town either.

And all the material used must come from China. So, what they do, they lend you the money, they force you to spend it with them so that they get their money back and at the end of the project you still owe them the full amount of money plus interest. We need to be careful how we are jumping to put this country in contractual relationship with those kinds of people.

Now, Madam Speaker, the Press Secretary said that the Government had not approved any cargo facilities, but on page 32 the Premier said: "**Additional development initiatives will include: improvement of the experience of cruise-ship tourists by upgrading the existing cruise ship arrival facilities in George Town and at the Spotts Landing; improvement of the efficiency of both the cruise and cargo port operations by separating and establishing new facilities; improvement of efficiency of the cargo operations by repairing and enhancing the cargo facility in Industrial Park.**"

Madam Speaker, it appears that we are going to support Mr. Imperato in his mega quarry in East End; the Government is going to spend the money to convert it to a port, because, Madam Speaker, he made it clear in East End that he was not even going to give the Government the fill to fill its own land out of what he dug. They wanted it, they had to buy it. Or

they would joint venture with him. But we are improving the cargo facilities in Industrial Park. So what we are going to do? We are going to bring the ship into East End and we are still going to bring all the cargo to George Town to sort it out? It doesn't make a lot of sense to me.

Now, Madam Speaker, a project such as the infrastructure developments of the port and airport, as well as the Dr. Shetty hospital, Cayman Enterprise City, again, I did not have too much to say about the Enterprise City. I believe that it has potential, as I said, with Medical Tourism, but we are doing the same thing again! We have put all of our Medical Tourism in one man's hands and a half a dozen Caymanians with him, and we are going on to two years now and nothing has happened.

We are doing the same thing with Enterprise City. We are putting it all in Mr. Hon's hands and any Caymanian entrepreneur who wants to take advantage of this will have to go and rent a space from him, and pay him!

Now, Madam Speaker, we should be able to draft legislation that creates this "enterprise" environment that would offer incentives for people to come here and set up business with Caymanian partners, but we should not confine it to one person's land! It is unnecessary to have that kind of geographic restriction in Cayman, because he is going to be in charge of it!

And he told me, and his projections which he gave me to demonstrate, that he is not starting by building new facilities, his great hope is that he can get some cheap office space in George Town because the Government has moved into this new building and he is going to bring these companies here, rent some empty space in town from these people. He is going to mark up the rent, pass it on to these companies and a year later if they want him to build facilities he will build them purpose-built facilities.

The other thing that concerns me, Madam Speaker, is that all of these people want to build cities. Now what do we have in a city? Shops, apartments, schools, churches and/or mosques—no intention to deal with Chisholm store in North Side, if that is where he is going to put his enterprise city, because he is putting up his own shop; no intention of having them eat at Over the Edge restaurant because they are going to have their own restaurants. No intention of having them rent houses or apartments from people in those areas, because all of that is included in these two cities. Are they building us a health city or building us an enterprise city? We already have two cities up there—it's East End and North Side!

Now, if they want to know the kind of developers that the people in North Side welcomes, go have a conversation with Michael Dise. His father and two other investors came here, they proposed to develop Cayman Kai; all of their labour force was Caymanian. They had two supervising carpenters when

they were constructing the hotel. When they opened the hotel all of the people in the hotel were Caymanians—all of their cooks, chefs, everything were Caymanians.

This man tells me that the most he can promise Cayman is that they may get 20 per cent of the jobs because the top 80 per cent is going to expats. But you hear announcements that they are going to create 5,000 jobs; they are going to do this and that.

Madam Speaker, let me just tell you a little story about this Investment Committee that the Government has set up, and this is personal experience, it's not something I heard on the street. Madam Speaker, I had a friend of mine. We did some business in the early 90s in the medical field. We brought in the first eczema laser in Cayman and set it up here because we had 35,000 people in the United States who they had allowed to get one eye done. So, we brought them here and did the other eye. We were doing fine until Mr. Truman and the current Premier wrote the Ezzard Miller law. I'm waiting for them come here to repeal that for Dr. Shetty, because they are going to have to do it.

But he called me a couple of weeks ago and said, well, he was doing some stem cell cosmetics with adipose tissue and he had heard some rumblings that the Government might be encouraging medical tourism. So, I called the Chairman and the Deputy Chairman of the Investment Committee (that's who they told me they were), and invited them for a cup of coffee. Well, when I went . . . because I invited them to Camana Bay, you know, I mean we treat them good. When I got there they were huddled up in one little corner.

I said no, no, no, my sinuses are bothering me, so we need to go outside where we can get some fresh air. Because I want those people who walk around down there with those shiny shoes to see these two people talking to me!

And, Madam Speaker, I talked to them for the better part of two hours. And at the end I said to them, the only conclusion I can draw is that the Government has commissioned you all to attract anything and the Government will give everything in order to get anything!

[Laughter]

Mr. D. Ezzard Miller: They could not tell me that they had a criteria that this Committee had established and it was written down on a piece of paper and they could give it to me if you did A, B, C, D, E, you would get X, Y, Z.

I asked them specifically why they had not done that. And they told me, *You don't understand this businessman, Ezzard. Dealing with these investors, everyone you have to deal with individually, we can't have these kinds of regulations of what the Government can give up.* And, Madam Speaker, you know

something—the strange part is that the only thing the two of them wanted from me was the name of my friend and his telephone number so they could take care of him.

And, Madam Speaker, I have other incidences of how they were taking care of some people, right? But I will leave that in case anybody tries to say that what I am saying is not true. Because again, *nah hearsay*, Madam Speaker, *what me know!*

Now, Madam Speaker—

[inaudible interjection]

Mr. D. Ezzard Miller: *[addressing the interjector]* Too good.

[inaudible interjection]

Mr. D. Ezzard Miller: *[addressing the interjector]* A name.

[inaudible interjection]

Mr. D. Ezzard Miller: Now, Madam Speaker, we were presented here today with this “ForCayman Investment,” an alliance with Dart Cayman Islands. Now, Madam Speaker, when I asked who the owner of Dart Cayman Islands was, I was told that there was a public record and I could go to the Company Registrar and find out who it is.

Well, Madam Speaker, I have a few friends, so I sent a text to somebody and asked them to check and do a company search for me and see if they could find this company Dart Cayman Islands. Madam Speaker, time did not allow me to go and get the printed version, but suffice it to say, Madam Speaker, that no company exists on the Cayman Islands Company Registry called “Dart Cayman Islands,” nor “Dart Cayman Islands Group.”

Now it may be another company that is trading under that name. But, Madam Speaker, I trust and I pray that that group that we are signing this alliance with is not the Kenneth Dart—the vulture fund magnet—because, Madam Speaker, if it is, we could be in serious jeopardy.

Madam Speaker, this is exactly the kind of thing that was done in Argentina, Brazil, Belize and a number of African countries. So much so, Madam Speaker, that the British Government, the British Parliament in April last year passed a law prohibiting the trading of these vulture funds in London. So, Madam Speaker, I am assuming at this point that I am talking about the wrong person because I really hope that we are not.

Madam Speaker, I am getting concerned because the one who is doing the East End Seaport is not here because he had so many other places to go. And both of these have left their homeland because they did not respect the civil laws of the own country.

You really believe, Madam Speaker, that if we do business with them they are going to respect ours when it comes to money and profit? No, Madam Speaker, I don’t hold out such hope.

I think that we have to be very careful, and we have to be very comprehensive in our due diligence when we are starting to deal at this level. And, Madam Speaker, when we see and we hear of the three entities which the Government is doing their major projects with, there are questions that can be asked. You don’t have to take my word for it, I invite the whole Cayman Islands to go and Google.

Google them and see what they are known for in the international environment. Because, Madam Speaker, they have had to leave other countries and maybe, if we are not careful, we may have orchestrate for them to leave here too.

Madam Speaker, in April last year the Government accepted a Private Member’s Motion from me asking for the establishment of a Fair Trade Commission Law, particularly to deal with the Dart Corporation and its expansion in this company, but also, to deal with other Caymanian businesses as well. Everybody will be treated equal, because, Madam Speaker, there are changing the face of business in this country.

I have been approached by Caymanian business men, long-term family business in this country—some of it was represented earlier here this morning—that they are being treated unfairly by this Group. If you want a certain kind of beer you cannot buy it wholesale from them, you got to go to the restaurant or their place to buy it. Other people in the liquor retail business are reporting to me that the company is selling liquor in their outlets for the same price that they are selling to the wholesale. How are Caymanians supposed to compete with that?

And that is the risk, Madam Speaker, when we allow people with this huge wealth and deep pockets to start to get control of the Mom and Pop businesses in Cayman. Yes, the Mom and Pop businesses are selling to them because they are making it tough for them to get there!

And when, Madam Speaker, one of the owners of the wholesale supply business in this country who deal with the little Mom and Pop shops like up in my constituency and East End and Bodden Town, and West Bay, and locally here in George Town as well, they tell me that the businesses that they normally wholesale to are suffering and they help them prepare their financial statement, they give them as much credit as they can to try to help them along because they have been customers of theirs for years—decades!

They tell them to go and talk to their bank manager to see if they can get refinancing and help them prepare the documentation. The bank manager tells them, *We can’t help them and the best thing they can do is to see if they can sell it to Dart.* Madam Speaker, this country is built on hard work by Cayma-

nian entrepreneurs. I understand that companies that have leases in George Town now, in the buildings that these people are buying, are being told that when the lease runs out they cannot get anymore lease in George Town, they will have to come to Camana Bay.

Madam Speaker, we need desperately a Fair Trade Commission because that is the only way we are going to be able to control people like them. According to information I have seen of this Group, it nets over \$400 million per month, so it is not a small operation that we are dealing with. And, Madam Speaker, I am very concerned about this alliance announced by the Premier. I have not had a chance to read it. I listened. I think we are putting far too many eggs in that basket. Madam Speaker, we need to be careful, because, Madam Speaker, we know who we are dealing with! The man on the street knows so don't tell me that the people in here do not know! We know their reputation! And, Madam Speaker, the reputation is not about generosity in loving these people in that they will allow others to survive; that's not how they think!

Madam Speaker, when you go online and see that they are living in a mansion on Seven Mile Beach in the Cayman Islands under armed guards . . . I asked the Chief of Police here, and he told me no. I go down there, I sit down on the beach and they come and run me. Now, unless the gentleman has an unusual growth on his hip, I believe he was packing. So I never hold any argument with him because I was not packing!

And the question is, Madam Speaker, under what law is that being allowed. I wanted to ask earlier: Was this elusive Mr. Dart at the press conference today? Because not many people around here has seen him.

[inaudible interjection]

Mr. D. Ezzard Miller: *[addressing the interjector]* Yeah I want to know if he was there.

[inaudible interjection]

Mr. D. Ezzard Miller: *[addressing interjector]* I wasn't invited! And the notice said you had to have a press pass and I am no member of the press.

[inaudible interjection]

Mr. D. Ezzard Miller: But, Madam Speaker, I believe I saw him once in my life.

I was at a restaurant having dinner and these two Italian, what we in North Side call Goons—big muscular fellows with slicked-back hair—came into the restaurant. The only thing they did not do was to lift up the frock tail of my date. But they looked up the curtain and looked all around under the tables, they stood out by the door, this little man came in, he sat

down in the corner, he had a meal and when he was ready to go they went outside, a car came up that was blacker than my blue suit (couldn't see what was inside of it), and they hustled him outside and he disappeared.

So, I asked the Maître d' *who was that? I'm not coming back to your restaurant if these are the kinds of clientele I have to face.* Because he really intended to frisk me down, but I told him, not me! Right? And he told me that that was Mr. Ken Dart. I don't know.

Madam Speaker, we have to be careful that because things are tough now, we are looking for the easy way out. And, Madam Speaker, anybody that doubts anything I am saying here, it's all here. I printed it off four o'clock this morning. The Law that the British Government passed; the number one enemy of Argentina; Third World traveler; it's all here. Bill Clinton describes this man as the most dangerous person on earth on his blog.

So, Madam Speaker, I hope that that is not the person that this alliance has signed up with.

Madam Speaker, I found it difficult to navigate through the Budget because the numbers were inconsistent, the statements between the Throne Speech and the Budget Address were inconsistent, often contradictory. So, Madam Speaker, I really can't support a Budget that is delivered in that format.

Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak?

First Elected Member for Cayman Brac and Little Cayman.

Mr. Moses I. Kirkconnell: Thank you, Madam Speaker.

Madam Speaker, I rise to offer my contribution to the 2011 Throne Speech presented by His Excellency the Governor on the 23rd of May 2011, and the 2011/12 Budget presented by the Premier on the 10th of June 2011.

Madam Speaker, my contribution is about a sound course and a secure future. I will share my thoughts and vision perspectives on two different fronts; one being the national issues, and one being the issues of the constituency of Cayman Brac and Little Cayman.

The first, Madam Speaker, is the issue of the country itself. Let me begin by saying that it is our responsibility as leaders of this country to understand and address the strategic issues. It is my belief, Madam Speaker, that each of us in this honourable House takes that responsibility very seriously. We must listen closely to our people and understand the issues they face, and we must create policies and infrastructure that allows all Caymanians to enjoy the fruits of their labour and the freedoms provided by a democratic Government.

Madam Speaker, looking at a sound course: These are times that demand insightful and committed leadership. The challenges we face as a country must be confronted with a clear mind and a determined spirit. Madam Speaker, as a country we need to come to grips with the course we take. I fear if we take the wrong course it could be vastly different from what the majority of Caymanians really want.

Madam Speaker, we could develop a country nothing—nothing—like the home we have always treasured. We must ensure that we do not circumvent the due process inherent in our Constitution, and the laws and regulations which are there to ensure good governance.

Madam Speaker, it is with great disappointment that I observe the limited access that any non-government representative has been given to contribute. The strength of our system of government comes from built-in checks and balances. Our system is designed to include opportunities for the minority Party Members to understand the policies proposed by the Government, time to question the proposals, and a chance to offer alternative ideas. Madam Speaker, it is this critical discussion time and the subsequent opportunity for robust public debate that serves as an informal check on Executive power, assurance of more thoughtful solutions, and ultimately, a protection of our system. In short, Madam Speaker, it is the key to guaranteeing good governance.

Unfortunately, the procedures to ensure good governance are being frustrated. Madam Speaker, without these safeguards we risk the potential for unsanctioned change. We are at risk for new policies and changes to public services being established without the consent of the people. We are in jeopardy of having the culture and standard of living in Cayman unnecessarily sacrificed.

Madam Speaker, let us realise that it is not surprising that we could find ourselves vulnerable to such unsanctioned change. Not because we are uninterested in the future of our country, but because we are by nature a trusting people. We have faith in each other, in our institutions, and in God. We have been blessed with the history of leaders who for generations have served with integrity, and they have served with a commitment to develop and protect the Cayman Islands for future generations of Caymanians.

Perhaps, Madam Speaker, it is because of this that we have come to trust the actions of our leaders and assume that proper protocols are always followed. However, in these times, laden with great economic and social challenges, we must be vigilant.

Madam Speaker, this is not a time to complain and place blame. We can't afford to sit back and watch as laws and policies are changed without proper due diligence. Madam Speaker, there is no honour in priding ourselves as we accurately predict the pitfalls that Cayman may experience.

Madam Speaker, we must awaken from either a mood of blind acceptance or helpless surrender. We must be smart enough to have faith, but not blind faith. The minority, or Opposition, must be allowed to contribute to the policies of this country, Madam Speaker, to demonstrate balance and ensure stability. Madam Speaker, these challenging times call for strategic thinking, inclusion and not exclusion in self-sacrifice.

The current challenges call for each and every one of us to be part of the solution. All of our time and resources should be used in positive ways to address the problems we face together, Madam Speaker. Madam Speaker, in a time like this all ideas and experience should be utilised. We should work together to promote and ensure good governance in order to secure the future prosperity of our country. It is in the spirit of teamwork that I speak today in this honourable House. Madam Speaker, it is my hope that these thoughts and ideas be considered as we work and chart our course through these challenging times.

What course are we on? Well, I clearly understand the difference between the governance of a country with the associated administration of public resources and that of operating a business. I also understand that the fundamentals of organisational success are the same across both public and private sector. So let us just for a moment think about the Caymanian economy from a business perspective.

As appointed guardians of company Cayman, we should operate Cayman for the benefit of its owners—the Caymanian people. And the shareholders can only be successful if the company Cayman thrives by growing its profits and investing those profits for the good of the shareholders, investing them in the Caymanian people. We must never, Madam Speaker, ever let the guardians of Cayman lose sight of the real reason we are here in power, to serve the needs of the people and shareholders of Cayman. We must never ever accept implication that the appointed guardians are spending their own money or managing their own assets, instead we must realise the money being spent and the assets being managed are owned by all the Caymanian people. The Government has been given the job to manage these resources and funds in a way that best serves all of us, Madam Speaker.

Madam Speaker, on page 18 of the Budget Address (I am assuming it is a strategic view), it says that the Census 2010 estimates that we have a population of 54,400 people. If our growth continues at the same rate as the past ten years our population will double in 23 years. This is approximately 2,300 to 2,400 people per year, Madam Speaker.

Should this be our long-term goal? Will a steady manageable growth rate of 2,300 to 2,400 people each year promote a good quality of life, adequate opportunities and social harmony among our people? Or, as stated on page 4 of the same docu-

ment, are we growing the population quickly by giving the right people tenure? And is it forecast that with the quick growth we grow the population to 100,000 people that I have heard mentioned?

Is the current Government policy to look at what would be called a quick-fix with a large population for the economic benefit of the country? If that, Madam Speaker, is the case, let us not forget that each new person brings with them a real cost to the country; a responsibility for Government to provide healthcare, education, personal safety, environmental protection, public open spaces, sanitation—that's just to name a few services, madam Speaker.

I believe this is a fundamental question which must be asked and answered for the good governance of this country. My hope would be the vision to build Cayman upon the foundation our forefathers have set. Let us look at and utilise the growth that we have seen, the growth that was identified in the Census of 2010—a growth rate that is prudent and sensible—so that we can leave Cayman in good standing for the next generation of Caymanians.

Mr. D. Ezzard Miller: Take the vote now.

Mr. Moses I. Kirkconnell: Madam Speaker, as an example, if we set out our vision, our population to grow where a certain number of people, a manageable number of, let us say, in the 2000 people-per-year range, then we would know how to plan healthcare, education, and other public services, [and] the private sector can also plan to make goods and services available for this planned growth. Our people can then understand the vision for future growth and opportunities they can in turn plan for, prepare for, and study for these opportunities, Madam Speaker.

Madam Speaker, let us use the core pillars of Tourism and Finance in harmony with sustainable planning and helpful legislation that will complement the vision and not stifle it.

Madam Speaker, let me just provide a few simple examples of using what is here to strengthen the local economy: We know that we are losing market share to the cruise industry, especially with regard to the more affluent traveler. The George merchants who depend on the cruise arrivals are unable to plan properly due to the uncertainty surrounding the completion of the new cruise terminal. This is one of our core businesses that helps drive our economy. We do not need to go around to find it, Madam Speaker; it's here already. Let us make this a priority.

And, Madam Speaker, I have to say that I am pleased to hear the announcement that this has become something that should start quickly and give support to the George Town area. Madam Speaker, let us support what we already have before we go around looking at the unknown.

Let us consider the stay over visitor. One of our competitive edges is that our currency is linked to

the US dollar. Currently the US dollar, Madam Speaker, is very weak compared to other world currencies. We see this clearly by the increase in the Canadian tourist. The Cayman Islands are no longer considered an expensive destination by the Canadian visitor because of the strength of their currency against the dollar. So, we are having success because of direct flights focusing on a market that we have a competitive edge in.

Madam Speaker, we can repeat the same type of success by providing the European market with direct flights and the same type of marketing effort to make it easy for them to get here. So another core project would be to lengthen the runway and to work with airlines to make sure that we have direct flights from Europe to attract that type of business. The hotel rooms are here, Madam Speaker; the tourism infrastructure is in place—the taxis, the tour operators, the craft market. And we can start to take advantage of some of the condominiums that are empty. Many of these have very low occupancy rates and are just starting to recover with some of the stay over business as it begins.

Madam Speaker, these are core examples of some of the things that we can do in the short term. I think, Madam Speaker, that we have to look at the vision of where we want to be; short, medium or long; what do we want our country to really look like in ten years?

The financial industry will continue to expand, I believe, contingent on global oversight and regulation. However, Madam Speaker, I do believe with the emerging markets generating more and more opportunities that our financial industry has positioned itself to take advantage of and benefit from these prospects. So, Madam Speaker, we must support this pillar. And, as mentioned in the Budget Address, prepare our young Caymanians through education and practical experience to afford them every opportunity to be involved in this industry.

Madam Speaker, I have taken the time to explain these examples. In the private sector these examples are called either 'going back to your tools' or 'going back to your core business.' And this is one of the proven ways that companies get through a downturn in an economy or a downturn in business as they retool.

So, you start, I believe, with a vision of where you want your country to go and what you want it to look like in the short, medium and long term. The vision of how many people will be added to your population every year. You strategically plan so Government knows where to place its resources—health, education, children and family services, and the infrastructure that will be needed as you have sustainable growth. The small business owner understands who and what will be available in order to prepare their workforce for the growth. School leavers can enter the workforce knowing which businesses will provide the

best opportunities for them as a result of planned growth.

Madam Speaker, as elected officials we have a duty to serve our constituents—all of our constituents—whether they were born in these Islands or have migrated here, all those who call these Islands ‘home’ are a part of our Cayman Islands and we must institute policies that maximise their wellbeing and their future. While it may be easy to welcome foreign investors, such as the international developers that over the last several years have been knocking on the doors of many Caribbean countries, we need to ensure that new developments are in the best interest of those who already call Cayman ‘home.’

If new developments only serve to increase the wealth of the foreign investor and ultimately burden Caymanians with an increased cost in government services due to an increased unplanned-for population, then we have sacrificed future opportunities to the Cayman people for a selected few. This is but one example of why the process of due diligence is critical to maintaining stability. And the due diligence must be considered against the backdrop of the country’s vision for its future.

Madam Speaker, are we striving for an efficient Government for the population that we have today, of 50,000, with a strong middle-class allowing it to grow in a sustainable way? Or, are we striving for big Government providing extensive services for 100,000 residents with a high cost and a shrinking middle-class in a short period of time?

While shepherding a period of planned growth for a strong middle-class is significantly more difficult than the quick-fix allure of multiple large projects, it is my belief that it is in the best interest of the Caymanian people for a sustainable growth vision.

Madam Speaker, we still have no guarantee the economy is going to recover in the short term. The Miller Report says we have a consistent revenue base, and the Budget shows that we have revenue of over \$500 million dollars per year. [We should have the] confidence and security that we can all weather the global recession together, even if the world economy does not recover in the next two years.

I want to repeat that, Madam Speaker: The Miller Report says that we have a consistent revenue base. The Budget shows that we have income of over \$500 million dollars. So, we should have the confidence and security that we can weather the global recession, even if it does not recover in the next two years, to create the environment for our citizens to have a safe place to work and live, provide education for citizens to have every opportunity to succeed, provide good healthcare at an affordable cost, provide the opportunity for social wellbeing, and provide environment for small and large businesses to flourish whether it competes locally, regionally, or internationally.

Madam Speaker, crime continues to be an uncontrolled matter of the utmost concern. Whether it is the petty crime of stealing a tin of corned beef and a loaf of bread in an economically tough time or the white-collar crime we hear about where millions disappear in an instant, I had hoped to hear specific plans and some solutions addressed in the Throne Speech delivered by His Excellency the Governor. But unfortunately, Madam Speaker, it was not dealt with at length. I hope that this important issue will get more time when we come to Finance Committee, because, Madam Speaker, I believe the Budget must provide the funding for the Police Services, but we as legislators must ensure we are getting much value for money spent.

Education in the short term provides a twofold responsibility and opportunity—responsibility to make sure the proper education is available to every man, woman and child so that the country can be stable and successful. The building of the educational infrastructure, be it the bricks in modern school buildings, roads, sidewalks or investing in IT, further training of our human capital provides a short-term stimulus for our local people and our local workforce.

Healthcare demands that we review all areas to ensure we are providing world-class care with a value for dollar component.

We must structure and support our financial industry, Madam Speaker. We must be proactive in meeting the needs of the industry in order for them to compete in the global arena. This is a core pillar to our economy. Are we sure that we are doing all we can as a Government to give them the competitive edge they need in the global market?

The second pillar of our economy, Madam Speaker, Tourism: Are we sure we are doing all we can to help our providers and stakeholders compete in this economic climate? Madam Speaker, the Miller Report makes note of the increase in levies, trade and business licences, work permits, et cetera, which have increased the cost of doing business in the Cayman Islands.

The tourism industry is showing slow recovery but it is showing recovery. And even as more visitors come to our shores as cruise or stay over, the fact is they are paying less for the room that they stay in or the cruise they book. The economic short-term outlook with discounting by stakeholders means that for the same number of people they receive less revenue, but the cost of doing business is more because of the increased fees all around.

So, Madam Speaker, we must think outside the box, be creative, and offer our stakeholders in the true public/private partnership some honest to goodness help, some real incentives. Let us remember the 280,000 to 300,000 visitors are a huge contribution to our economy because duty is paid on all of the food, drink and other services and goods they consume when on island.

Madam Speaker, my simple point is, we support the business environment with the two legs of our economy that we have. Make them successful and help them grow, and our country will show much stabilisation for the short term.

Madam Speaker, in the short term we must control cost. We must support finance and tourism. We must stimulate through improving infrastructure with local projects that can provide employment and understand the vision and direction that we want to go. Do we want a population of 50,000 with managed growth which is economically sustainable, protects our quality of life, our culture and our moral values? Or do we want massive growth in a short period of time which will completely change our quality of life.

Madam Speaker, those are my comments for the national issues, and they are pointed at what I believe is a topic that is on everybody's mind; it's the reassurance that we will be okay. And I believe that some of the things I mentioned are already being looked at and we have heard about some of them. I think some of them are offered, that hopefully they will be taken and thought about and may be actioned on. But we need to make sure that the people of this country know that we will be okay. As the Miller Report says, we have a consistent revenue base.

Madam Speaker, let me turn to Cayman Brac and Little Cayman.

[inaudible interjection]

Mr. Moses I. Kirkconnell: I'm sorry? *[speaking to interjector]*

[inaudible interjections]

The Speaker: Ah, we're . . . Member for Cayman Brac please continue your debate. The hour is late and we have a lot to get through in this Budget.

Mr. Moses I. Kirkconnell: Thank you, Madam Speaker.

Madam Speaker, Little Cayman shows strong hotel and condo occupancy, depending largely on the international dive market, sustainable development on a small scale, a very unique scale, fueled by wealthy individuals building large and second homes for holiday and retirement.

Madam Speaker, at this point I would like to talk about what we believe in Cayman Brac and Little Cayman, and I am certainly convinced that it also has a tremendous effect on Grand Cayman. It is a problem for tourism. The Lionfish are starting to destroy our reef system which attracts the dive industry.

There was a discussion at the Sister Islands Tourism Association (SITA), Madam Speaker. I would just like to say that the stakeholders and members, some of them, for Cayman Brac and Little Cayman, members of the Tourism Association—Mr. Linton Tib-

betts, Mr. Michael Tibbetts, Ken and Gailya Hall, Mr. James Ryan, Robert and Nina Banks, George and Lyn Walton, Cleveland Dilbert, Garrison Grant, Carol, Charles, Bridget, Moses Kirkconnell, to name a few, Madam Speaker. But there is a tremendous threat to the wellbeing of Cayman Brac and Little Cayman.

In this document that was put together, which I am going to quote, with your permission, Madam Speaker, a few of the phrases. It is a document that was a discussion document that has turned into a letter actually to the Honourable Minister, Mark Scotland, who has a copy of it. I had a word with him earlier.

[inaudible interjection]

Mr. Moses I. Kirkconnell: Thank you, Madam Speaker.

The summary, if I can start from the back. **“In summary, we as stakeholders on Cayman Brac and Little Cayman, consider this to be a national emergency. If something is not done soon to curtail this Lionfish invasion, we all expect the continued degradation of the reef itself which will soon lead to permanent damage for the economy of both Islands. In our opinion (and that of the scientific community), full time culling of Lionfish is the best and only option. This will require coordination and financial investment.”**

Madam Speaker, the dive industry: Dive tourism currently represents around 90 per cent of the overall tourism in the Sister Islands. [The Sister Islands] have very little else to offer a tourist as a draw aside from the pristine underwater ecosystem. And I would also add, Madam Speaker, that there's a large percentage of the tourism in Grand Cayman itself that is dependant on the dive industry.

I know that the Minister responsible for Tourism and the Tourism Council is well aware of the type of publicity that the dive magazines have for Grand Cayman. Ads that are placed, an ad like this, probably cost \$10,000 for this one page. Both of these current magazines, *Sport Diver*, *Scuba Diver* have articles about the Lionfish in them. They talk about the threat, and what the Lionfish are actually doing all over the region. And they also mentioned that really no regional country has developed a strategy to fight them, has developed a strategy to keep their reef system in place and to keep their dive market returning year after year.

With the income, just in Little Cayman, of around \$2 million dollars a year to Government from tourism tax, multiply that (I don't have the numbers for Cayman Brac, Madam Speaker) . . . but then we look at this in Grand Cayman as well, this is a multi-million dollar industry for the Government. This is an industry that is threatened. The Hixon study [which was] done in the Bahamas in 2008 states that the Lionfish have the potential to significantly affect the reef ecology and reduce the biodiversity of the local reef fish popula-

tion. And the Lionfish caused significant reductions to the point where it continues to destroy the reef.

A Lionfish study has been completed in the Bahamas and was released May 2011. It states that the reduction of adult abundance will require long-term commitment and may be feasible only in small localised areas where annual exploitation can be intense over multiple consecutive years.

Basically, Madam Speaker, what it says is that we are at risk of losing this industry if we do not come up with a national policy to fight it. This letter is basically offering and asking for a partnership with Government and private sector with ideas of how to cull, which is the removal of these fish by spearing them with a certain type of spear. And you have to do that on a much more regular basis than is now being done because now it is being done on a volunteer system once a week, to try to keep some of the dive sights to where people want to continue to go back.

Like I said earlier, I had a word with the Minister about it and I am confident that the dialogue can be entered into with his Ministry and the private sector about how this can be fought. And I believe that a huge opportunity from the way diving is promoted and is advertised, is available to us because if we do this national policy we will be the only country that has stepped up to the plate, made a commitment and put ourselves forward to keep our reefs pristine and ensure that that part of our tourism industry continues to be vibrant and works for our local economy, Madam Speaker.

Madam Speaker, Cayman Brac—

The Premier, Hon. W. McKeever Bush: Madam Speaker, before the Member moves on, the Member read at length from what he was saying was a letter, and I would like for the Member to table it.

The Speaker: I don't think the Member can table the letter, he can circulate it, if he so wishes, to all Members of the House. He can copy it and circulate it to all Members.

The Premier, Hon. W. McKeever Bush: Madam Speaker, I thought the rules said if you are reading at length from a document that you should table it.

Mr. Moses I. Kirkconnell: Madam Speaker, I am quite happy to table it and I am quite happy to circulate it. What I would ask is, I have got a couple of notes on here, The Deputy Premier and the Minister have a clean copy, if I could have one of their copies photocopied—or you just want it tabled?

[inaudible interjection]

Mr. Moses I. Kirkconnell: What?
[inaudible interjection]

Mr. Moses I. Kirkconnell: Okay.

[inaudible interjection]

Mr. Moses I. Kirkconnell: If I can table that one, Madam Speaker, I will make a commitment to the Third Elected Member for West Bay to bring him a copy tomorrow morning.

[inaudible interjection]

Mr. Moses I. Kirkconnell: You want it tabled or circulated?

The Premier, Hon. W. McKeever Bush: I would prefer if you tabled it.

[inaudible interjections]

The Speaker: Are you asking for it to be tabled?

Mr. Moses I. Kirkconnell: That's what the Premier has asked for, Madam Speaker, and I am quite happy to do that.

The Speaker: Okay.

Mr. Moses I. Kirkconnell: With your permission, Madam Speaker.

The Speaker: So ordered.

[inaudible interjections]

The Speaker: Would you have copies done so that everybody can have a copy please?
You can proceed.

Mr. Moses I. Kirkconnell: Thank you, Madam Speaker.

Madam Speaker, Cayman Brac: In the 2010/11 Budget we have completed about 95 per cent of the Paloma rebuild. There are a few of the rebuild items that are outstanding. I am sure that the Deputy Premier, like me, has had representation of those, and I am hoping that we can look at those and complete those when they can be funded, Madam Speaker.

The Island has retained its traditions and even improved its local charm with most homes and communities getting rebuilt or spruced up while maintaining their individual characteristics. Madam Speaker, I believe this is a tremendous compliment to the commitment, strength, and character of the Cayman Brac people.

And, Madam Speaker, as in the case after any disaster the rebuilding phase created a significant stimulus for the local economy through imports and job creation, which filtered throughout the community. Included in this rebuild were our tourism accommoda-

tions. And, I am pleased to say, Madam Speaker, that most of the damage properties are repaired or rebuilt better than they were before, and are opened for business. Cayman Brac has a much improved tourism product for everyone to enjoy. It includes private homes, bed and breakfasts, condominiums, hotels, local restaurants and craft shops in lovely Heritage House.

Madam Speaker, the two job creators for Cayman Brac are Government and Tourism. In the short term I do not see much opportunity for more job creation in the tourism sector, as we already have the rooms, the diving, the restaurants, nature tourists and fishing charters that meet the demand of the number of tourists who come. We have seen a little bit of growth in the day trips, the nature and family markets and hope it will continue, and continue to grow.

Madam Speaker, it is estimated that Government through statutory authorities and core government employ between 75 per cent and 80 per cent of the workforce in Cayman Brac. With very little construction on the horizon, the Paloma stimulus finish, I hope that we can look into this Budget and provide some new opportunities. I understand that the affordable housing programme is about to get started and that should hopefully inject \$500,000 or \$600,000 in the building community.

Madam Speaker, it is commonly said that the country is judged by how they nurture their youth and how they honour and meet the needs of their elderly. Cayman Brac and Little Cayman do both of these well. Cayman Brac has an interesting community dynamic, Madam Speaker. On one end of the age spectrum, Cayman Brac provides a safe and caring community with excellent facilities and many opportunities for social interaction for our elderly and retired citizens. On the opposite end of the spectrum, we have some of the best and brightest primary and high school students in the Cayman Islands and abroad. And we give those young people dozens of avenues in and around their school years to grow intellectually, socially, and emotionally.

We then have UCCI and overseas scholarships which provide golden opportunities for continued education. So, many of our Cayman Brac young people excel in their education. They graduate from high school, some go on and graduate from university and when these graduates go to the job market they have great expectations and bright dreams for their future. But what they do find, Madam Speaker, are few opportunities. Our bright, capable, ambitious students . . . we presently have several high school and college graduates on the Brac looking for employment and hoping for anything. It is in this area of job creation for those crucial working years where we are consistently failing.

This has to change, Madam Speaker, because it is not sustainable for a community to lose its brain thrust year after year. We must find a way for

these bright young people to stay on the Brac and contribute to their community's growth and wellbeing, and in turn, contribute to their country.

Madam Speaker, young families need two things for a good quality of life: a good place to live and a good place to work. Cayman Brac is a good place to live, but we need improvement in the job market and what is available to satisfy the good job that is needed.

Madam Speaker, it is my hope that we can position Cayman Brac to receive sustainable private sector investment to create work that can utilise the talents and intellect of our own young people. Some of our brain thrust must stay on the Island to help Cayman Brac prosper and grow. I believe we have an opportunity to look at how cost effective Government can be by relocating some of their jobs to Cayman Brac, Madam Speaker.

Madam Speaker, the rental apartments, homes are less expensive, the infrastructure and communication is excellent. The opportunities for quality education are available. I believe that a business case could be made for this and I believe it is cost effective for Government to look at some of their departments, such as statistics or accounting, and some back office jobs that could be moved to Cayman Brac. Madam Speaker, I believe this could be a win for everybody, because always remember that when a population grows the goods and services increase to meet that demand, which creates more work for everyone, including the vocational skills.

Madam Speaker, the Budget shows the line item for the interisland air service. I am extremely pleased about that. It continues to be the milk run for Cayman Brac and Little Cayman. It continues to bring our tourists. The flight into the United States has penetrated that market and I am happy to tell you that last week it had 74 people out of Miami directly into the Brac on it. So, it continues to grow with strength, and hopefully our partnership with Cayman Airways and Government can be looked and we can see how we can add more flight directly, whether they be into Miami or other places.

Madam Speaker, I am glad to see the road programme will continue in this Budget, and I am happy to hear that it will be moving to the South Side in the very near future.

Madam Speaker, in the Budget there is a line item for the Emergency Centre. I am assuming that that is the hurricane shelter. Madam Speaker, let me clearly state that I am in support of funds being allocated and used in Cayman Brac. But my position continues to be that this construction project should be a dual-purpose building.

Madam Speaker, the high school on Cayman Brac is 44 years old and in need of major and costly repairs. I get representation every week from the parents who have requested directly from the Education Department an electrical inspection because of issues

that they have with their electrical wiring that, I am told, is over 40 years old in the building itself. Madam Speaker, I am told that for the same cost and with the same foundation that is currently being constructed as we speak, we could have a new high school and a hurricane shelter, all in one dual-purpose building on the Bluff. We could utilise the building year round as a high school and also use it as an emergency centre shelter when required.

Madam Speaker, in closing let me say that in these difficult economic times we must look for more efficient ways to meet the need of our communities. As construction progresses on new schools in Grand Cayman, I ask, Madam Speaker, let us think outside the box. How long will Cayman Brac have to wait to have a new high school if we do not take this opportunity to get it? Let us prioritise our needs.

Madam Speaker, I thank you for the time you have allowed me.

The Speaker: Thank you, First Elected Member for Cayman Brac and Little Cayman.

Does any other Member wish to speak or would we like to adjourn at this point?

The Premier, Hon. W. McKeever Bush: Madam Speaker, I see them out there waving their hands, they want to go home.

[laughter]

The Premier, Hon. W. McKeever Bush: I will make them go home at this late hour, Madam Speaker.

I could go until 10.00, though, but I think we are not doing bad with our time—bad with the speeches so far, but that is another matter. So, we are going to adjourn at this time, Madam Speaker.

The Speaker: The motion for adjournment.

ADJOURNMENT

The Premier, Hon. W. McKeever Bush: Madam Speaker, we propose to adjourn this honourable House until 10.00 am tomorrow.

The Speaker: 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.

At 9.27 pm the House adjourned until 10.00 am Thursday, 16 June 2011.