

BUDGET RESPONSE 2010



*By the Leader of Her Majesty's Opposition
Dr. the Rt. Hon Keith C. Mitchell*

INTRODUCTION

Mr. Speaker, I begin my contribution to this year's budget, by thanking the almighty for the strength and the good health which he has bestowed on us all present in the House today and for the bountiful mercies which he continues to demonstrate for our beloved country at this challenging time.

Mr. Speaker that this is challenging time is without doubt. There has certainly never been a time when almost every sector, every group, every person is so disillusioned and frustrated with a government in office in such a short space of time. As you walk the streets and traverse the country the sounds are deafening.

The farmers, the fishermen, the public workers, the policemen, the nurses, the teachers, the road workers, the shopkeepers, the busmen, the truck men, the taxi drivers, the carpenters, Masons, plumbers, contractors, hoteliers and hotel workers, the retail sector, insurance salespersons, the Dockworkers, traffickers, the unemployed are all saying the same things.

Mr. Speaker this is the atmosphere in which I am presenting my response to the 2010 government's budget.

As I begin, Mr. Speaker, I'm myself and my colleagues, and we hope our people, are strengthened by the comforting words from the Book of Joshua:

"Be strong and of good courage; be not afraid, neither be thou dismayed for the Lord thy God is with thee withersoever thou goest."

The 2010 budget will come to be remembered for its errors, omissions, misrepresentations, misleading statements, selective use of statistics, blatant attempts to mislead the people, and indeed a continuing breach of faith with the people of this country by the NDC.

But worst of all, this budget will come to be remembered for that which it failed to do, despite all the hype from the leadership of the NDC ahead of the presentation. Listening to the Minister all would agree that never has so much been required to reverse the trend of sliding unemployment, low growth and lagging economic growth, yet so little delivered.

Indeed Mr. Speaker when the Minister "catch the power" and ad lib that the funeral of the NNP, it is not the death of my party that I was worried over, we Mr. Speaker are alive and well. The only thing which death threatens Mr. Speaker is this economy and by implication the country.

Truthfully Mr. Speaker, even those who support the other side did leave this place disappointed, for never have they been subjected to a Budget presentation, so disjointed, so at contraction with itself, never have they witnessed a presentation where the vision, goals and objectives were ever so confused. Never Mr. Speaker, have they ever evidenced a presentation where the goals and objectives remained so inconsistent with the resource allocation.

Mr. Speaker listening to the presenter last Friday, what came through clearly was a mind that is at war with itself, muddled, confused, a mind wanting to get out, to be heard.

A sorry affair, Mr. Speaker.

Indeed Mr. Speaker, objective commentators would have just cause to suggest that there was no Budget here last Friday. Indeed, Mr. Speaker, there was a presentation, but Mr. Speaker there was no Budget, in the sense that we have come to expect it.

Omissions/Errors

Mr. Speaker it truly saddens me to begin my substantive remarks today, on a rather unusual note. I speak now not only as the leader of Her majesty's Opposition, but also as a statistician and one who has dedicated a substantial part of his professional life to developing the statistical capacity of businesses, university and Developing Countries - such as Grenada.

Mr. Speaker, I regrettably advise that the Budget document presented to us demonstrates instances of "adding errors", omissions, improper treatment of revenues and expenditure categories, and lack of consistencies in numbers, among other inaccuracies. Mr. Speaker, I feel sure that those on the other side, upon close examination, would come to the quick recognition that the Budget simply put – "is not balanced"; and it is the normal practice for the government to present a balanced budget to this Honourable House.

Mr. Speaker, this is a most unorthodox practice, which we are evidencing only for the second time in recorded history.

Specifically, Mr. Speaker I refer to the following:

- A.** In the 2010 Estimates on page 383, no figures are reported for the sale of land and other assets; but in the summary on page 386 the Minister for Finance is showing \$7.3m as sale of land and assets; ----- Which is correct Mr. Speaker?
- B.** Page 386 (other sources: T bills, bonds, etc) shows that government earned \$40.5m but it does not show up on page 383;
- C.** Total capital grants for 2009 is shown as \$18.6m on page i, but as \$17.2m on page 386. The adjusted amount pertinent to 2008 should be used throughout.
- D.** Capital grants to be received in 2010 show up as \$44.9m on page 386, but as \$40.1m on page i;
- E.** The 2010 budget shows a huge financing gap of \$48.9m. This means that the budget is not balanced. What this implies is that the Government intends to spend that additional amount of money (EC \$48.9m) but it does not know where the funds will come from!
- F.** In 2009, the government budgeted \$44.6m as privatization proceeds on page i, it is noted that the government received \$7.3m from sale of land and assets (page 386). Mr. Speaker we need to know what was sold; where did this money come from?
- G.** Domestic disbursement for 2010 is shown as \$61.3m on page i, but it appears as \$61.7m on page 386.

Mr. Speaker in the period leading up to the preparation of this Budget, this side did repeatedly issue calls for the convening of the Finance Committee-to no avail. Had the Government convened the Finance Committee and provided timely answers to the opposition, we would have been in a position to point out the several inconsistencies which today detain us.

In fact, Mr. Speaker we complained bitterly that the notice for the convening of the Finance Committee (for the purpose of the budget) was presented to me on 24th December, Christmas Eve, in a “rum Shop”. Said notice was to announce a Meeting of the Finance Committee to be held on the 29th December, 2009.

What could have been the motivation for this I ask? Could it have been to preclude our effective participation in this process?

Whatever, the motivation Mr. Speaker, clearly it has backfired, for we were not provided with sufficient time to grant our usual assistance to the Government side, nor were we furnished with critical answers to questions raised, despite the undertakings to do so by the Minister for Finance himself.

Mr. Speaker, the Government side, must understand that we want to be helpful. It is not our role to “trip-up”, or “destabilize” the process, but if we are to be helpful, the information must be shared with us.

It is in this spirit that we elect to participate in this process, notwithstanding our disclaimer for the record, that we do not have any confidence in the numbers, nor do we place any integrity in them.

Misrepresentations, Omissions, Errors

Further, in his usual deceptive manner, the Minister for Finance in his speech painted a glowing picture with grave misrepresentations.

1. The Minister mentions that the Prime Minister has secured \$7.5 Million for the building of a New Parliament building. We note that he did not say which governments or funding agency responsible, nor is it mentioned in the document (Budget). Another one of his imagination and deception.
2. The Minister also tells us that over 11, 500 persons found work on the Road Maintenance program last year. This is totally misleading and downright false. I made a check around the country and my information tells that number was not more than a few thousands. He has therefore overstated the jobs by almost 6,000. Through you Mr. Speaker, we now request the Minister of Finance to provide this House with where these persons were employed?

Furthermore, a simple piece of Mathematics, not "Nazim Mathematics", or Nazimatics, will tell us the following.

A fortnight work for the lowest paid person works out at \$350 per fortnight. Assuming that each person got one fortnight, which we know was not the case, the total expenditure for such a program will be \$3.8 Million.

For two fortnights the expenditure will be \$7.6 Million, however the Budget figures for 2009 reflects expenditure of only \$3.7 Million. And one group of persons mainly received employment under this "it's we time now" administration.

3. Furthermore, last year, 2009 Mr. Speaker no money was budgeted for asphalt and no actual expenditure was observed in the document for this item, but asphalt works did take place, nonetheless-----so where was it paid for? Similarly, \$4.5 Million was budgeted for Concrete Works last year but the Budget document shows No Money was spent. Concrete work was done. How can we take this document seriously? Minister of Works take note!

The Budget speech says!

The government is now projecting to spend only \$5 Million this year on road maintenance excluding asphalt.

If things were hard last year, it will be doubly hard this year, as there is no money allocated for debushing in 2010.

4. The Budget speech claims the following as successes.
- A. Abolish Sand Mining. This is not a success. It is an embarrassment as it was done before an adequate cost effective alternative was established. It has also played a major role in the downturn in economic activity with respect to construction.
 - B. Strengthened the Ministry of Carriacou and Petit Martinique.
 - C. Reopened the Western Main Road. This is another embarrassment (explain).
 - D. Restored Bridges in La Mode and New Hampshire.
 - a. Only two bridges constructed and both were in the Minister of Finance's Constituency.

- b. Bridges were not restored but widened with railings, as opposed to new construction works

- 5. The Minister informs us that he agreed only recently to “zero-rate” additional items, such as Bread, Fish, Agricultural imports, Medicines, Water for Residential purposes, Poultry and Meats.

It therefore means that the revenue projected will be considerably less than stated in the Budget document, which I am stating here, was already grossly overestimated.

The revenue projections as stated therefore will not be achieved.

Mark my words Mr. Speaker as we predicted last year we will soon be back in this House debating a barrage of Supplementary Appropriations Bills.

Supplementaries galore!

Remember we told you so!

- 9. The Minister for Finance in his speech advised that the Lauriston Airport in Carriacou will be rehabilitated and refurbished and renamed after the late Prime Minister Herbert Blaize.

Yet for all this Mr. Speaker, only \$950, 000 has been allocated for this project. The resurfacing of a run way Mr. Speaker, will cost many Millions of dollars and it must be done to the standard of the International Air Transport Association.

This again Mr. Speaker is a deliberate, calculated strategy to mislead the People and this House as to the works that will be actually undertaken. Mr. Speaker, we charge the

Minister of Finance with so seeking to mislead the people and this honored place, with such massive exaggerations as he presented the Budget on Friday last.

Virtually everything is grossly exaggerated!

10. On Page 17 the Finance Minister claims that Government received \$28.3 million in EU Grants including a special crisis funding program called the Vulnerability Flex "Grenada being one of only two countries in the Caribbean to qualify for this facility" We note the Minister as usual fails to tell us which was the other country. (Haiti)

Mr. Speaker these instances, and there are many, many more, as you will see are pointed out at this stage to alert this house and the people about what it is that this Minister of Finance has tried to do, in his presentation of Friday last. But we shall also demonstrate that virtually all the Minister's Statements are at variance with the facts, Mr. Speaker, simply untrue, at variance with budgetary allocations, words without a true intention of ever bringing the plans, projects and programmes to action.

In other words Mr. Speaker, wishful thinking--- a not so sophisticated attempt to confuse the people of our country.

But in spite of all this Mr. Speaker, and because we are resolved not to play politics with matters of critical importance to the people of this country, this side has elected to remain in this House and "soldier on" and to attempt as best as we can to participate in this Budget process, even with these highly suspect numbers, and baseless statements.

Let me be clear Mr. Speaker, Her Majesty's Opposition disapproves of the document laid before this House.

In all this we do not cast blame on the hardworking technicians, who like us on this side would have been "strung out", by a Minister for Finance and his playwright, none of whom have the capacity to clearly articulate policies for this country.

In fact, Mr. Speaker I'm told that most of the playwright's time is spent in the preparation of his own income-generating plays---on Government time, as opposed to the preparation of projects to benefit the private sector of our country.

Having listened to the Minister's submission, we are convinced that if the waste hotline is even minimally successful, it must have received large numbers of complaints about the monumental waste of Government time by the playwright.

Mr. Speaker, in light of the errors and omissions, and other inaccuracies in the budget for which the Minister for Finance is ultimately responsible we charge him, Mr. Speaker and not for the first time, with gross incompetence, indicative of his unsoundness for this Office.

We are now clear Mr. Speaker, on why in the most recent IMF report; the Fund writes: **"The authorities have taken steps to ensure the accuracy of data provided to the Fund"**.

We want to join with the IMF Mr. Speaker, in the context though of this House in imploring you to urge the Minister of Finance to provide Her Majesty's Opposition and this Honourable House with similar accurate data and information.

Furthermore, in the process of this presentation and that of my other colleagues, it will be shown that a major contributing factor responsible for our present dismal economic circumstances has and continues to be the Actions/Inactions of the present government.

This factor can be broken down into several categories as detailed below.

(1) Economic Management/Mismanagement

- a. Factors contributing to the poor economic state.
- b. Incompetence and squander-mania

(2) Lack of concern for people particularly the poor and vulnerable and the young.

(3) A dysfunctional government

(4) Politics of spite, hate, victimization and fear.

(5) . Politics of lies and propaganda.

(6) Lack of transparency, Accountability, Integrity and Good Governance.

ECONOMIC PERFORMANCE

Introduction

Mr. Speaker , we were subjected to a most interesting display of hypocrisy on Friday last, imagine the Minister of Finance attempting to chastise this side about being honest about the root causes of the economic crisis in this country. The Minister of Finance, who presided over the preparation of a manifesto, despite the warnings from this side that the promises were unrealistic – who presided over the preparation of a manifesto, which committed them to ill-advised policies. Many of these same policies and promises have had to be retracted, leading to a crisis of confidence in this country today. Imagine this same Minister of Finance, lecturing us about honesty and the global crisis. Can you imagine that Mr. Speaker, a most interesting case of hypocrisy, Mr. Speaker, a most interesting case!

I can still hear Tony Boatswain telling him, time and again that these promises were unrealistic.

I understand then even some of the Minister of Finance's own early advisors, some of which have now distanced themselves from him, did try to warn him against these false promises, against the false hopes that he was perpetrating, to no avail. To no avail Mr. Speaker!

And The Minister of Finance now dares to attempt to lecture to us about honesty and the global crisis.

It is as if Mr. Speaker, the Minister of Finance was in a deep sleep, and he just woke up to discover it is 2010 and he has suddenly come to certain realizations. It is as though he has suddenly come to his senses.

But Mr. Speaker we understand that the Country is truly facing extraordinary times, no lecture required!

We accept that some of these difficulties do relate to the international crisis, but let me repeat, it was this side who advanced this in 2007 and we were ignored by the then Opposition and now Government.

But the global crisis did not act alone in accounting for why this country has been so badly affected. Nothing the Minister of Finance stated directly addresses the matter of the other major contributing factors. But we have already provided a listing of many these other factors.

We will not be distracted Mr. Speaker, no this side will not be distracted, for we are clear that the gallarying by the Minister, was nothing more than a failed attempt to make some smoke because he does not want us to recall the promises he made in the 2009 Budget. No, he does not want us to assess for ourselves, his performance against these same targets-against the priorities that he established in 2009.

But as a responsible Opposition such an assessment against target, such an audit, if you will of "actual" against "promised", must be undertaken.

So how well did the Minister do against the commitments which he entered into with the People of Grenada when he joined them in a "contract of faith" with his Government in the Budget of 2009?

I shall be relying heavily on the Minister's own Budget address in 2009.

Economic Management/Mismanagement

Mr. Speaker, the Minister for Finance in the 2009 budget presentation said the following

Our priorities for 2009 shall be as follows:

1. Strengthening Economic Management:

The Minister's priority was to set up a debt management unit. Interesting,

Mr. Speaker since a Debt Unit was always established and operational when the NDC took Office in July, 2008. But in addition to this Unit under the NNP Government we had also established a limited life sovereign Debt Re-negotiation Team.

Mr. Speaker, it is well known that Economic management is more than paying down the external debt at the expense of the domestic debt. The unpaid claims in the Treasury have increased to nearly EC \$80 Million during certain periods of this last fiscal year. No word on this now Mr. Speaker. But when the NNP was in Office, Oh how the Minister of Finance did parade and gallivant about NNP. No gallivanting now though, not even a mention. Why?

Mr. Speaker, we said last year during the Debate that the Government would have to come back for a supplementary budget. This they did sooner than even we had predicted, when they piloted a bill to borrow EC \$20 Million. In addition, Mr. Speaker, the Government is now using the overdraft of E.C. \$40 million as opposed to the \$20 million limit maintained by the previous administration. We predict that they will soon have to come back, seeking authorization to borrow again, if they are to undertake even a meaningful fraction of the programmes read out by the Minister of Finance.

Furthermore on this posture of Economic Performance, the divestment programme was expected to yield EC \$ 44 Million in 2009. What happened to this budgeted item? We need to have this explained Mr. Speaker.

2. Improving the Business Climate:

The World Bank indicator showed Grenada slipped three places. I want to repeat Mr. Speaker, the World Bank indicators show that Grenada has slipped three places and since the Minister has relied and in some sense celebrated these indices when he was in Opposition we join with the business community to ask him how he accounts for this and how this stacks up with his idle boasts of improving the business climate. Mr. Speaker, we contend with sound reason that the business environment has deteriorated, not improved since the NDC came into Office, largely due to the erosion of business confidence.

Small businesses, the economic backbone of much of the middle and lower class have fared particularly badly. Can the Minister truly be unaware of this I ask?

3. Fostering a genuine Multipartite Partnership:

In our view this partnership appears to be in the mortuary. The relationship with the Executive Bodies of the Private Sector had met its hidden agenda. The Union leadership appears to have lost its voice in defense of the workers.

Some of the politically active and vocal church leaders appear to have lost their voices. Getting the NGOs and in particular their chief lady whip to frustrate investment and chase investors have succeeded. Having achieved the above objectives there is no real need to expend energy in this partnership anymore, so it is "Still Born".

As I suspected there will be attempts to recommence the Sustainable Development Council, which Mr. Speaker I remind you is a creature of the NNP, and which began in 1996.

4. Accelerating Tourism Development:

Tourism growth and receipts have declined. So too have the prospects for successful tourism development. We have regressed in Tourism. The sector experienced negative growth, negative employment, negative income, and runs the risk of losing major project sponsors as will be detailed later.

The Minister of Finance boasts that one of the government's achievements was the agreement with the Hotel Association to forego 50% GCT with an understanding that they will not reduce staff.

The Minister as usual did not tell us whether this was successful. We are not surprised.

We know for a fact that scores of workers were sent home temporarily and otherwise, because the Hotels experienced extremely low occupancy.

5. **Revitalizing Agriculture and Fisheries:**

Mr. Speaker, the Minister for Finance boasts and takes credit for the 9.3% contribution to GDP that agriculture made in 2009. But he omitted to remind us that agriculture actually grew by approximately 8% in 2008. Mr. Speaker he boasts that the contribution was mainly due to the increased production of nutmegs and cocoa. But Mr. Speaker he fails to realize that nutmegs takes 6 – 8 years to recover while cocoa will take four years after any devastation to come back.

Mr. Speaker, the Minister will not say that the recovery of the agricultural sector commenced years ago under the NNP with growth in 2007 and 2008 due to the efforts of the NNP administration. Financing assistance to the farmers and fishermen such as the AEDP and Fisherman Fund were instrumental to the growth.

Plants were propagated and distributed in the thousands. Bags of chemically blended fertilizers were made available by the thousands. Mr. Speaker one order was 9000 bags! And distributed at the subsidized price of \$50.00/bag.

Mr. Speaker the Minister told us that 6,245 bags of fertilizer were distributed in 2009. However the vote for support to agricultural inputs was zero in 2009 and many farmers are expressing stark surprise, particularly as they are aware of only one order for 200 bags during 2009.

We want the Minister of Finance to account for the discrepancy Mr. Speaker. Who is wrong, is it the farmers?

Additionally, in 2010, \$500,000.00 has been allocated Mr. Speaker perhaps the farmers will receive some this year. But Mr. Speaker, this will be significantly less than the amount supplied by the NNP Administration.

Mr. Speaker, this year shows signs of being one of the driest for a long time. The NNP administration promoted and supported irrigation by providing irrigation equipment to farmers with little and no down payment and long repayment time.

The NDC has removed this programme. Yet they claim to be supporting agriculture and only \$25,000.00 is allocated.

Today the farmers and Grenada are reaping the benefits of the hard work of the New National Party. Today when this NDC Administration has removed all support to the farmers the foundation laid by the NNP administration continues to sustain the agriculture sector despite every effort from the NDC Administration to destroy it Mr. Speaker. In 2006/7 food production in Grenada exceeded pre-IVAN level. Today we are importing bananas; farmers cannot access fertilizer or seeds. They have to buy fertilizer from the commercial store at about \$250.00 per bag and seeds at exorbitant prices. No wonder, farmers are disillusioned.

Mr. Speaker the Farm Labour is the Brain Child of the NNP Administration during whose tenure thousand of acres were cleared. Mr. Speaker when we spent \$23m under the debushing programme, not only the roads were cleared.

Under Nazimatics Mr. Speaker we would have had to import labour to fill the 69,000 jobs created. Mr. Speaker plenty farmers lands were cleared boosting agricultural production including the cocoa and nutmeg that the Minister is boasting and taking all the credit for today.

Mr. Speaker, the Minister should have told this Honourable House of the debacle with the GCNA Board under their watch. Is this promoting confidence in the sector? Fire the Board! Well Mr. Speaker the government should also know that they have to give their children their Christmas present also. Where is the nutmeg bonus? Production is up! They should reward the farmers after removing all assistance from them!

Mr. Speaker the Minister boasts that they have secured financing of \$28m from the Kuwait Fund for Arab Economic Development. Mr. Speaker I am reliably informed that financing will only be secured after the Fund Board in March approve a Mission to Grenada to assess the situation, look at the roads, carry out an economic assessment. If that assessment is positive, financing will not be available before September of 2010.

As I understand, the Government is looking toward CCC, as was already requested by the Prime Minister and stopped by the Works Minister, to bridge finance the project to get it started before.

Mr. Speaker I only pray that no false hope is being given to the workers as all of Grenada knows that it is because of the efforts and blows from the NNP on behalf of the workers and farmers that the Government had to swallow their vomit and hate for Nelson Louison and travel to Kuwait to get money.

Mr. Speaker, the money comes with CCC. You cannot say that there is no phase II to get the money for another contractor.

Mr. Speaker the one area which the Minister of Finance possibly could have taken credit for would have been bananas and we all know that story too well.

Indeed Mr. Speaker, it will be a long time before we live down the memory of having to import bananas from St. Vincent.

We understand the Minister of Finance's dilemma, Mr. Speaker. There is nothing else that exhibited growth for which he can take credit; so he finds himself "clutching at straws", he shall soon be taking credit for the "air we breathe and our breath of life", soon, soon you'll see.

Mr. Speaker the problem continues to be lack of commitment to and seriousness about the livelihood of farmers and fisher-folk. The Prime Minister told us in his presentation marking the First year in Office on July 9th 2009, that "The Marketing and National Importing Board (MNIB) in collaboration with the Ministry of Agriculture launched a **Market Guarantee Scheme** to provide support for our farmers to dramatically increase local production of fruits and vegetables.

Under this programme, the MNIB will be charged with providing market intelligence and guaranteeing the badly needed market for the produce of our farmers.

I continue to ask where the Market Guarantee Scheme is, has anyone seen him or her?

I'm interested to hear more. The Prime Minister was categorical in stating that it was launched. Not that it was forthcoming this is why I'm so interested.

Mr. Speaker, the other side continues to demonstrate deep contempt for our farmers and our fisher-folk.

6. Pursuing Energy Potential and Energy Efficiency

Mr. Speaker, Energy is a major cost to all countries; developed, developing or underdeveloped. This is therefore a critical priority for any Government. The Minister of Finance who is also the Minister for Energy has failed miserably, as has this priority, to negotiate the boundaries with our neighbours and to set up an Energy Policy.

Mr. Speaker, the Minister pretends not to be aware that there will be no boundary demarcation with out neighbours until Grynberg and RSM are completely out of the picture.

Mr. Speaker, the NNP successfully and rightly terminated Grenada's arrangement with RSM for cause. The Minister in his presentation boasts of Grenada's success in the ICSID Arbitration. But he seems not to realize that RSM also took the matter as a civil suit in New York claiming damage for wrongful termination in the amount of US\$500 million, the same amount that he claimed in the ICSID arbitration. Grenada again successfully defended this legal threat under the NNP administration.

Mr. Speaker, there are those who hate Grenada and who encouraged Grynberg to appeal the decision for their narrow political and financial interest and as the Minister for Finance, claim that the lawsuit is against the former Minister Gregory Bowen.

Had the NNP Opposition not mounted a defense in the appeal, Grenada would have been saddled with an automatic default judgment and burdened with US\$500 million.

Mr. Speaker, the Minister is now lamenting that no investor will come to explore in our waters because of the pending appeal decision. It is just sinking into the Minister's head that refusing to defend the appeal was a disastrous act, stymieing the exploitation of any oil/gas potential that Grenada has.

But Mr. Speaker, all the Minister has to do is honour the obligation that Grenada has with the investors who financed the legal costs of the arbitration and who are ready to commence exploration.

Let us find out if we have oil and gas. Then let us move speedily to develop this resource. The NNP administration has removed the obstacle Grynberg who was holding up the process for eight years.

7. Improving Access to Quality Health Care

We have regressed in this area; the conditions in our hospital and healthcare in general speak for themselves. The Minister of Foreign Affairs has indicated that he wishes to see the second phase

of the hospital completed at the present site but the Minister of Health has been adamant that the hospital should be re-sited at a different location. Meanwhile nothing has happened over the last year and a half.

Mr. Speaker, during 2009 there have been a number of fiascos in health notwithstanding the change in Ministers during the last year. Where is the government dialysis service that the Minister of Health, Ann Peters and the past Minister, confidently assured the nation would be present by February 2009? Meanwhile the government only provides a miniscule subsidy to the Kidney Foundation for the government referred patients who continue to get care through Island Dialysis Service. Interestingly, Government even continues to access this dialysis service for emergency dialysis care, the very service that the NDC government ridiculed for months after coming to office.

Mr. Speaker, we had a number of plans for the development of oncology (cancer) services in the island. The government proceeded to dismantle the programme and today we are left with a situation where we have an oncologist visiting the island 3 to 4 times per year, reported to be paid US\$5000.00 per month by government. Patients again have to purchase many expensive drugs for their chemo-therapy and the oncology unit that we were about to develop seems no longer to be a priority for the Minister.

Cancer is a major killer in our community and we have heard nothing of the cancer registry that is vital for improving our services. Dr. Niamatali has secured a donation of vaccines to help prevent our women folk from developing cancer of the cervix. With his removal has this programme dies?

Mr. Speaker we are happy to be informed that primary health care continues to be a priority of the Ministry of Health as espoused by the Minister. Indeed the physical refurbishment of many primary care health facilities, the revitalization of primary health care team, the support for the chronic disease team, the subsidy for drugs and many other initiatives showed where our priority was.

But Mr. Speaker, the facts don't support the supposed prioritization of primary health care by the NDC administration. How can the Ministry be attempting to block experience, well trained volunteer Grenadian nurses from participating in and organizing free health fairs. Indeed, even well credentialed and I stress well credentialed overseas team have felt humiliated by the cold reception that they have received and in one recent case the frank refusal to permit them to hold volunteer clinics. Mr. Speaker, it should be noted that these clinics are heavily utilized by those of limited means.

Again Mr. Speaker, the Minister of Health stated policy on the H1N1 vaccines, when H1N1 swine flu was considered a possible serious public health threat was contrary to the stated priority in primary health care. Governments worldwide were rushing to secure what stocks they could of the H1N1 vaccine to protect vulnerable groups. We even saw President Obama and his family receiving the H1N1 vaccine but there was our Minister causing doubt and fear to be placed in the public's mind about the vaccine and by extension in the value of vaccinations in general.

8. Repositioning Education and Human Resource Development:

Mr. Speaker, this is another priority that is surely not met. The Ministry of Education is in turmoil both from a Human Relation standpoint as well as from an administrative standpoint.

(a) Relationship between Minister and teachers

(b) Scholarship and Training.

© Offered wage increases for 2009, 4%

It was refused.

Teachers are now being asked to accept a Wage Freeze.

(d) Review NNP Capital Budget on schools.

(e) Transportation Allowance.

(f) School Books and Uniform Allowance.

(g) Food Basket and Milk program

Where are the scholarships for all who qualified for university education?

9. Fast Tracking Youth Empowerment

Mr. Speaker, another failed priority. Where are the youth jobs and the youth programmes? Why are the youths not paid the promised \$1000 per month?

Mr. Speaker, young people are facing despair. They are being destroyed morally, mentally and physically. Drugs, prostitution and unemployment have crept in.

(a) More programs in youth activities under NNP - 16M

(b) Stadium – Cricket

© Athletics Stadium

(d) Very little said on Culture

(e) Carnival success?

10. Housing Development

Mr. Speaker, Housing by itself is one of the most important priority for any Nation. But in Grenada's case Hurricane Ivan and Emily have given it even more prominence. The scant attention paid to this vital sector by this administration did not meet with uproar from the population only because of the remarkable rebuilding work done by the NNP after the hurricane. However many people are hurting particularly in this period of economic downturn.

- i. House Repair
- ii. Small Loan Scheme
- iii. Chinese Houses
- iv. La Calome
- v. Private Sector Initiatives

11. Disaster Preparedness

Mr. Speaker, Disaster Management is again not high on the priority list for this NDC administration for despite the lessons taught and the experience gained from Hurricane Ivan and Emily, this administration has destroyed the structure and network put in place by NNP that successfully restored our country in record time.

- A.. Seismolohist are predicting that the area around Trinidad and including Trinidad are due for an earthquake.
- B. NaDMA – Restructuring to deal with this.
- C. Management and training
- D. Haiti

12. Crime, Drugs and Police

Mr. Speaker, this government will be ashamed to mention the state of crime, drugs and the Police Force in our country. Indeed, Mr. Speaker it is evident that these are not priorities to them. The safety of businesses, the elderly, middle aged, youth and students is not of concern.

- A. State of the Police Force
- B. Promotion/Discipline in the Force
- C. Uniform & Shoes/Wages/Allowances/Hardship Allowance
- D. Increasing Crime
 - Break-ins
 - Praedial Larceny
 - Drugs
 - Prostitution
- E. Victimization

13. Tackling Cost of Living

Despite the fact that the global food and fuel crisis have abated-nothing to do with the Government, access to food entitlements have worsened, due to falling income and more joblessness.

Mr. Speaker these were the priorities in the budget in 2009, not one single priority was achieved. Not one single achievement worth noting. We are truly in uncharted waters, Mr. Speaker, for never have we ever faced a situation in my nearly 25 years as a Parliamentarian, where a Government has not met a single objective established in the previous year's Budget.

But Mr. Speaker the Minister of Finance told us, in a nearly three and a half hour presentation that:

1. The inflation rate would be about 5% from the introduction of the VAT; but in economic terms what he is really saying is that, unless your nominal wage rises by more than 5%, no matter who you are, you are in serious trouble in 2010.

Here is why, if the inflation rate is 5%, and you get a 3% nominal increase, then your real wage would have fallen, and if you have no stocks and bonds, this means that your real incomes would fall, and hence your standard of living would fall.

Now when you factor in that nominal wage increases for public workers are being discussed around the 3% to 4% range, this means that your real income and as a result your standard of living is bound to decline. This is what the Minister of Finance presented us in this House on Friday last. Yet still he tells us that he has a priority to increase the level of disposable incomes in the hands of the people. Now our calculations is that the rate of inflation will be around 6.5% to 7%, and accordingly even if public sector workers got the 4% targeted, this would still see their standard of living decline appreciably, Mr. Speaker. This is the "corner" that this Government has backed itself into.

2. But Mr. Speaker we have not factored in, that unemployment according to the Minister of Finance is somewhere around 30%. This reflects an increase relative to the second half of 2008. With unemployment at such a level, the Minister's promise to create 1,500 permanent jobs means that relative to the first half of 2008, he is not creating new jobs at all, just restoring the employment rate to the levels as at July 2008, when we demitted Office. Smoke and Mirrors Mr. Speaker. But the Minister also stated that he will be creating 15,000 new jobs, but fell short as with every other area in his presentation to tell us in what sectors, these jobs were to be created. While there were some indications of possible projects coming back on stream, with some indicative numbers associated with is, the Minister needs to establish for us in which sectors these jobs will be created. Nazimatics!!

3. The problem is Mr. Speaker, that we continue to have "an adding-up problem". Again, it is obvious to us that the Minister of Finance did not undertake any serious work in preparation for the Budget. The Minister presented with confidence that: (A) 12,000 persons were unemployed or 25%; He plans to create 16,500 jobs, which exceeds the persons available for work. "Nazimatics". What this means is that according to our Minister of Finance, he will have to import 4,000 persons to fill the jobs which he intends to create. The Minister of Finance is a stranger to the truth! Nazimatics!!

4. What is more is that the Minister of Finance, in his presentation told us that he, not the IMF, not the ECCB, but only he believes that the growth rate will be 0.8%. I choose to accept the IMF and ECCB's numbers, not because I subscribe blindly to the views of these institutions, but because their numbers are consistent with ours and they do "add-up" with other numbers used in other parts of the Budget presented by the Minister of Finance

himself. But for the purpose of this discussion I want to accept the Minister's estimate of 0.8%, it doesn't matter for the points I'm going to make. Our numbers which match those of the IMF in most areas, including on what the growth rate of this country would have been, indicate that with 0.8% growth, you can never accomplish 1,500 permanent jobs and 15,000 temporary jobs. To get these employment levels, to create these jobs, the Minister of Finance would have to grow the economy in excess of 5.5% - 6% -and these are conservative estimates, for we do believe that the more realistic figure would approximate 12%.

5. The further implication Mr. Speaker, if the Minister of Finance's number for economic growth of 0.8% differs so much with the IMF's estimates of negative 2.0% and the Bank's estimates of negative 1.8%, on which estimate was this budget based? If it is based on the IMF's estimate then there would be a substantial shortfall on revenues collections of approximately EC \$ 15 Million, conservatively speaking. But if it was so based on his estimate then the problem is circular, for the Minister must then concede that the estimates on job creation do not follow. In short the Minister is in a corner, if he tells us that he used the IMF's estimate then the numbers on job creation are farcical, untrue a "mamaguy"! If the budget is based on his estimates, then the revenue estimates are incorrect and that is the dilemma. But Mr. Speaker, what is clear is that because economic growth, revenues and employment and business activity are correlated, the Minister cannot use his estimates where it suits him and the IMF, where he figures it to be in his interest. That is the corner that he has found himself in today. Intellectual dishonesty. Intellectual dishonesty. The numbers from the Minister do not make sense and cannot be trusted. - His colleagues are being set up for the fall. (NNP Funeral)

6. But there is more, Mr. Speaker, there is more.... My consistent concern continues to be where are these jobs to be created? We are still looking, and since I have no other basis, I have to rely on the Minister's words itself, (god forbid), but I have no option but to refer to his words when he stated "***the combination of public sector and private sector investment***" ***will generate the jobs. However, Mr. Speaker*** in the estimates, under the heading De-bushing maintenance, there is no allocation.

Nothing is budgeted Mr. Speaker for 2010. Mr. Minister of Works take note, Take note, your head will roll in St. Patrick's. They will have your head.

7. For the avoidance of any doubt, Mr. Speaker when we combine this Budget heading for "de-bushing" with the allocation for "Road Improvement and maintenance", there was a EC \$7.5 Million allocation in 2009. But in 2010, when the Minister, lauded the programme and described it as a model and a priority and after all the gallarrying, the allocation this year is actually cut.

Cut, Mr. Speaker from EC \$ 7.5 million in 2009 to EC \$ 5.0 Million in 2010.

Tom Foolery, Mr. Speaker, a lot of Tom Foolery!

I'm still looking at where the jobs are to be created Mr. Speaker. Where are the jobs, Mr. Speaker?

8. So this search took me back to the Document which the Minister presented, it took me to page 54 under the Sub-Heading "**Road Maintenance Programme**" where it says the following:

"Government will continue its year round maintenance programme including debushing of our road network. Considerable improvements was evidenced in the quantity and quality of the work delivered last year"

Then the Minister of Finance tells us that *"the programme has been allocated \$7.0 Million and will generate 12,000 jobs"*. Nazimatics

Let me repeat the programme has been allocated \$7.0 Million and will create 12,000 jobs.

OK then, so I ask myself, how much will each "job" be paid, the average compensation per job, do you know what the answer is? EC \$583, Five Hundred and eighty three Dollars Mr Speaker, each job will be paid EC \$583.00 and this is for the whole year.

Now, if you assume that each job is a person, which is in fact what the Minister of Finance meant to convey, hence the 12,000 jobs. If a job is equivalent to a person, do you know how many days of work that is at the prevailing wage for road work? If you are a man this is equivalent to 13 days work for the year, if you are a woman this is 16 days work for the year. This is what this Minister is offering; this is what he is offering to the poor of this country. Thirteen days work if you are a man and sixteen days work if you are a woman! For the whole year Mr. Speaker, one Fortnight!

This is what he is counting as "temporary jobs". Not work for the year, not even work for the Month! He is offering the equivalent of one fortnight's work per person.

Now if he give those who are favoured a continuance, as he suggests, and they get 2 fortnights, using the Minister's own numbers he will only be able to afford 6,000 jobs. With each person working only 2 fortnights - for the entire year.

Using the amount of 8 fortnights' work which we provided to the poor, only 1,500 jobs will be created - not 12,000 as the Minister of Finance has told us. But he could not bring himself to tell poor people the truth so he tries to fool them with numbers, shameful, shameful Mr. Speakers.

Mr. Speaker there is still a big difference, because under our watch materials were provided for separately, while under the Minister of Finance's "stimulus package" for the poor, even at EC \$ 7.0 Million, material are included.

In short Mr. Speaker, using the NNP definition of "temporary work", which is meaningful, the Minister of Finance stood and told this house that he could only provide 1,500 jobs. Yet for all this, he attempted to mislead this House by representing that he was creating 12,000 temporary jobs without going on to tell the nation that this was at a fortnight per person for the entire year.

I want to remind the poor that we gave them eight fortnights at a cost of EC\$23 Million, and we provided for materials separately. I want to remind them Sir, that we were heavily criticised for it.

In all this I remind the House, that there is no allocation at this time for debushing and as well that when combined with Road maintenance, that the amount stands at EC \$ 5.0 Million, not the EC \$ 7.0 Million that the Minister of Finance told us in this House on Friday, he has allocated to create the 12,000 jobs at \$583 per job, which is equivalent to one fortnight work for the poor, for the entire year.

We are in for a rough ride, Mr. Speaker, but it is largely due to the deception of the Minister and the NDC Government!

This is why we on this side are of the view that this is not a Budget, at all. This is "ole talk".
Wishful thinking and tomfoolery

9. Mr. Speaker, the Minister also claimed that he attained stabilization, on account of the capital inflows from the European Union and IMF. Again, this is laughable, for the Minister of Finance must know that stabilization is defined by the attainment of low rates of inflation, lower rates of unemployment and healthy rates of economic growth. He must know this because every A-Level student knows this. Now he already told us that unemployment stood at 30%, he also told us that next year the inflation rate will be 5%, he told us that the same Bank and Fund, that he quoted liberally, estimates that growth would be negative.

In short Mr. Speaker, the Minister of Finance told us that the conditions for stabilization were all violated, yet still he tells us that he achieved stabilization.

10. Mr. Speaker there is something wrong! Something is not right with the Minister of Finance.

The Minister consistently just ignores all the facts and logics, and boldly makes statements knowing them not to be truthful, the numbers – false, the statements- false, the assertions –untrue. This entire process that we are engaged in Mr. Speaker is in jeopardy.

That is why Grenadians over the week end having had a chance to think, have been saying that there was no Budget. That it was a lot of “ole Talk”, but no budget. Nothing is credible about what we heard. But the Minister has convinced us all that he has no regard for the truth, and that he is an enemy of the truth.

Economic Leadership

Mr. Speaker, there is no question that this budget is taking place at a most challenging time in our country's post-independence history. But we must recognize Sir, that this country has successfully confronted similar challenges to its development in the past. In fact Sir, it is what people expect of their leaders-particularly those whom they appoint to high political office. Such leadership is not based on labor for reward. It is a labour of love, knowing fully well that your hands will be held to the hottest of flames, and you will have to endure the driest of seasons.

This Mr. Speaker is what our people have come to expect of their leaders. It is the standard by which our leaders will be judged.

The present circumstances cannot be judged to be more severe than that of other difficult times which past leaders have had to manage through, yet still holding a steady course at the helm, with a consistent focus on the diverse needs of our people.

In leadership Mr. Speaker, you learn quite early, that while you can delegate task, you simply cannot delegate responsibility. You learn that you are ultimately in charge. Somewhere in all this, you learn perhaps the most important lesson of all, which is:

“Good leaders must first become good servants”.

“You begin to understand too Mr. Speaker, that the very essence of leadership is that you have to have a vision”.

I submit Mr. Speaker that what we are facing today is a Government which is lacking in vision.

Some on the other side have repeatedly described these present challenging times as one of crisis. They Mr. Speaker, not me have described this as the worst of times, when comparing the effects of the global economic crisis with the effects of Hurricanes Ivan and Emily on our people.

Mr. Speaker, this very comparison by the NDC Government, does make the case that the economic impact of the two hurricanes, while being far more devastating, than the existing crisis, was far better managed by the NNP.

To set the record straight Mr. Speaker, there is no way that any Grenadian who lived through Hurricanes Ivan and Emily, could ever argue that the present economic crisis is more devastating than the initial impact of Ivan and Emily, and still expected to be taken seriously.

Mr. Speaker, the obvious inability of the Government to cope with the current economic crisis, may well be having a delusional effect on those on the other side in addition to the effects normally associated with economic recessions.

In all this Mr. Speaker, it would do them well, not to disregard the tremendous sacrifices made by Grenadians at home and abroad, alongside the international community in rebuilding Grenada, literally at the speed of Usain Bolt and Kirani James.

Indeed Mr. Speaker, I'm sure that there is a consensus emerging that had an NNP administration been in office that these challenging times would have been better managed and that an NNP administration would have coped far better than those on the other side, with the extant challenging economic times.

We feel sure too Mr. Speaker, that under an NNP administration, there would have been greater confidence, greater hope, less joblessness, greater investment, enhanced economic activity, and far less despair.

Given the challenging economic times, all of us are left with a deep sense of disappointment over the Budget which was presented to this august House a few days ago.

Indeed Mr. Speaker after the presentation of the Budget, we now know for sure that the opportunity to reverse direction and do the right thing has once more been wasted by this Government.

Indeed, Mr. Speaker all the rhetoric in the world cannot cover up the fact that this is a budget which is largely irrelevant to these times. That this is a budget which is internally at war with itself in several respects by a Minister for Finance that continues to be too self consumed to acquire the skills he so urgently needs to present us with a clear direction on where this country should be headed is undeniable.

Mr. Speaker the Minister of Finance is the most damaging phenomenon, to this country's economic recovery.

After listening to this budget Mr. Speaker, I too was left with a deep feeling of despair, for it confirmed beyond any doubt that the persons promised increases to EC \$400.00 in old age payments would get no reprieve, nor would they receive the amounts owing to them for the last two years on the basis of the promises made by this administration.

We note that the Minister now intends to use the NNP logic of providing help to more people as opposed to the NDC logic of giving more to a few people.

We now know for sure that workers and our people will not get the assistance they need in this recession; that business will not get the much needed assistance they require; and will be taxed

even further to pay for the extravagant travel, mismanagement and other creature comforts of an ill-disciplined Government which is constantly at war with itself.

Indeed, Mr. Chairman, after listening with shock to the presentation of the Budget, it finally sank in that the deep sense of hopelessness which hangs like a pall over this country will continue, inflicted by an NDC administration which is bankrupt of ideas and a Cabinet that has lost the People's trust.

Mr. Speaker, having regard to the context in which this budget is being presented, we on this side were hoping against hope that despite our partisan differences, that the Minister for Finance would do the right thing and put the country first in the decisions that he makes.

Instead Mr. Speaker, the Minister of Finance has predictably chosen the political survival of the Government, and attempted to resurrect his own battered image as Minister for Finance by taking the country down a dangerous path of tax and spend, knowing full well that the major adjustments which the private sector and other critical sectors of our economy would be required to make would place us in a worse-off position in the coming years.

He has presented a budget which would reduce the level of disposable income, hence increasing economic pressures on the middle class, while swelling the ranks of the poor. Yet for all this he is on record pretending to show concern for the poor. I tell you Mr. Speaker, it is as though the Minister of Finance is headless, that he truly does not know what to do and worse, clearly does not understand the requirement for policies to be consistent.

Mark my words Mr. Speaker, this budget will do little to improve the competitiveness of our businesses, it will continue the closure of business, small and otherwise, which has been a hallmark of the NDC. It will not put people back to work. It will not cause a return of the investors and investment projects, most of which continue to languish.

Mr. Speaker we are still waiting to hear the budget which the Prime Minister told us about:

"A budget that will speak to our commitment to returning our productive sectors to growth and put people back to work".

This is why last year I suggested that perhaps the Minister of Finance had outfoxed the Prime Minister". How could it be that the goals which the Prime Minister told us that this budget would address, strays so far from the budget figures actually submitted to this house a few days ago?

Based on the Prime Minister's thesis about building a new economy, clearly necessary after they have done everything to destroy the one the NNP left behind, it would be true to advance, that never has so much been required and so little actually delivered.

So Mr. Speaker, we are waiting on the Budget promised by the Prime Minister in his press release of January 4th, 2010. But while we wait, it would be true to say that never has a budget created so much fear and lack of confidence as this one.

Indeed Mr. Speaker, the highlight of this budget is the introduction of the VAT and Excise. Both of which are revenue measures which do not demonstrate any particular imagination on the part of

the Government. One thing which Governments always and more accurately solely, have the authority to do- is to raise taxes. The task of economic management and nation building is far more sophisticated, and I suspect as the Minister for Finance is discovering – decidedly more challenging. But Mr. Speaker later in my address I shall return to the lack of readiness for VAT implementation and the implications which I believe will follow if no further amendments are made.

Indeed, we have heard the various quotations and accolades by the Minister for Finance on the progress which the international institutions consider to have occurred, since July 2008.

These too are not new for he has gloated over these “tokens of appreciation” by the Bank and Fund, even where they have come at the expense of supporting domestic business growth and development, high unemployment and rising poverty. It should be evident to all that for the Minister for Finance, his constituency is not that of St, George’s North East, or the farmers or the business community. It is not the workers of this country, or the aged who have been shamefully denied their promised payments. It is not the persons who were promised “University Education” to all who qualify! It is not even his own colleague Ministers who are too embarrassed to face the people who voted for them with the expectations of jobs, better living conditions and greater opportunity. For the Minister for Finance, his constituency is not the thousands of sportsmen and women, whose dreams have been eclipsed, despite the promises made before elections. It is not the fishermen and women, the vendors, bus-drivers, truck-men, masons, carpenters or plumbers. His constituency is not the Policemen and women, public workers, teachers or electricians. It is not the secretary, clerk, shopkeeper, road-worker, the unemployed or the vulnerable. It is not the barber or hairdresser, the bank teller or welder.

Frankly, I do not know who the Minister for Finance's constituency really is, except perhaps himself and I can only suspect those chosen few privileged enough to be close to him. But I do know that the Minister for Finance does not regard the ordinary Grenadian as the constituency to which he articulates policy! In fact, I believe that he has great contempt for the poor.

But as usual the Minister of Finance continues to practice an interesting brand of deception, a tendency to play fast and loose with the facts, instances of crafty omissions, and elective patterns of apparent incomplete logic.

Our people will recall my chidings about the selective use of statistics and statistical authorities over the years. Recall for instance, the insistence by the present Minister for Finance that Grenada was among the worst places to do business according to the "Doing Business Report".

Recall how he gleefully misused that statistic with much flair. Well according to the 2009 Doing Business Report this country's "Doing Business" ranking actually deteriorated under this Minister's Watch, slipping three places between 2008 and 2009.

According to the World Bank Grenada also deteriorated, or performed worse in the Group's Control of Corruption and Regulatory Quality indices over the last year. Grenada is also performing poorly in the area of enforcing contracts-which given the rhetoric of many on the Government side about "seizing this and taking back that", should be a major source of concern.

How come the Minister for Finance who in this honorable House galleried and paraded in previous years over these statistics, did not have the temerity to tell us these things in his glowing summary of how well he is doing? For in all that he has said I have heard very little of how well the other Ministries such as Foreign Affairs and Foreign Trade, *Agriculture, Tourism and Construction and Works* have performed.

Nothing even about how the Prime Minister's Ministry has performed. Can you imagine that!

Nothing even about how the Prime Minister's Ministry performed- nothing, but a deafening silence?

This is all the "Burke Show".

The Minister still cannot bring himself to locate his presentation within a truthful context where Standards and Poors, admitted in their last evaluation before we demitted Office, that the "NDC Administration has inherited a vastly improved economy, a bright spot in Grenada's credit history". The Minister for Finance continues to act, indeed pretend that he and he alone is responsible for any economic recovery, no matter how far fetched, should it occur. The Minister of Finance would wish us to believe that Hurricanes Ivan and Emily never occurred *even if he uses them to justify why he cannot perform.*

In all this I reiterate my position now as I did then, that these indices must be carefully employed lest we define ourselves according to the negative perceptions of others. But the Minister for Finance having defined us before as everything from corrupt, to the worst in terms of business

environment, definitely faces a major challenge. He must now tell us why under his watch these same indices, which he so liberally gave credence, have deteriorated.

Mr. Speaker the figure which I'm going to present comes from the ECCB's Statistical Publications which is on the home site. The Minister used numbers which have not been confirmed, or released by the ECCB and so cannot be presented to this Honorable House with the authority which the Minister attributed and without qualification. But my numbers Mr. Speaker, are present on the ECCB's Website for all to scrutinize.

That is what transparency is about Mr. Speaker.

So relying on properly released numbers from the ECCB, the evidence is clear, that when we demitted Office in 2008 and for much of the period before this our Country's growth and development outpaced that of many in the OECS.

This was not my performance Mr. Speaker, this was the performance attributable to every working Grenadian, every businessman, every farmer, fisherman, every hotelier, this is a historical record of how well we all did Mr. Speaker.

Under an NNP administration the growth rates of 4.9% was achieved in 2007. In 2008, growth of 2.2% was achieved, despite the virtual "shut down" of the construction sector in the last two quarters of 2008.

In 2008, Mr. Speaker, this country's growth rate was still above that of the ECCU's average of 1.9%. St. Lucia and Antigua and Barbuda were 1% and 1.8% respectively, in 2008;

In 2008 St. Vincent and the Grenadines, experience negative growth, in the same year of approximately minus 0.8%.

Grenada achieved 2.2% in 2008, Mr. Chairman, despite all the anti-investor actions undertaken by the NDC since coming into Office in July of that year!

In 2008, the actions of the NDC Government (stop this, threats to investigate that, no alien land holding license, no approvals to build from the Physical Planning Department for months, etc). These actions were a major contributor to the 31% decline experienced in construction activity for 2008 and 2009.

Mr. Speaker, many of these construction jobs will never return!. The collective actions of this Government is the major factor explaining why St. Vincent and the Grenadines has a small projected positive growth rate for 2009, and Grenada a massive negative growth rate, projected at 8%.

And Mr. Speaker the Prime Minister does not appear to be concerned at all, which is why I suspect that he insisted that ***“What is clear is that we are on the right track as we work to build a new economy”***.

But Mr. Speaker, this is the backdrop and the reality against which this Budget should more appropriately have been set.

But the Minister for Finance also has other questions to answer!

Questions that will not simply go away. For instance he must tell us where in the CDB Poverty assessment study it states that "poverty increased under the NNP administration". We are still waiting for an answer to this statement or at the very least, a retraction.

Even more importantly, the Minister for Finance must account for why of all the OECS Countries, Grenada's economic growth rate has declined so precipitously. The IMF and the World Bank cannot assist him, with these answers, he must face these questions by himself. But as I indicated, Mr. Speaker this Budget is deceptive, in that it clearly side-steps critical questions and so will not properly identify the appropriate measures which need to be employed to deliver us from this quagmire of negative growth, declining competitiveness, and increasing unemployment and poverty.

No matter how these issues are diced, or spun by the Minister for Finance, he must answer the questions, about what he did to the economy when he should not have, or what he did not do when he should have, which now has Grenada underperforming relative to even St. Vincent and the Grenadines.

As a results Mr. Speaker, we on this side of the House have always argued, that with an economy that remains among the most diversified in the OECS, the global economic recession alone cannot account for the dismal performance evidenced under this Government. Were that the case, St. Vincent and the Grenadines, and the other OECS countries similarly poised in terms of economic

diversification, (so here I'm not referring to Anguilla or Antigua, which are heavily dependant on financial services), I'm referring to economies such as Dominica, St. Vincent etc.

These countries too, would have suffered declines and set-backs of a similar magnitude to that of Grenada, and Mr. Speaker they have not!

Indeed Mr. Speaker, every Grenadian would agree with those on the government side, that these are the worst of times, but Sir, it need not have been this way. It need not have been this way at all.

We on this side are therefore clear Mr. Speaker, that since other OECS Economies, with broadly similar levels of development were far less affected than Grenada, and Mr. Speaker, since Grenada's performance evidenced far greater buoyancy than those of these countries ahead of the economic downturn - that we must search for other factors to properly explain Grenada's woeful performance. These factors are to be found Mr. Speaker, not in the contagion which the global economy transmits to small economies, such as Grenada, but in distinctly negative and localized "NDC Home Grown" actions. In acts of vindictiveness, envy, spite, in character assassination, in the "slash and burn" ruthlessness of this Government, and in the "we time now" vengeance which many of them brought to government since, July 2008.

Those on the other side have snatched "hardship out of the jaws of opportunity".

So it is far more than the global recession Mr. Speaker. As I have shown and will elaborate more specifically on.

- What does the global recession have to do with the decision to discontinue with CCC?
- What does the global recession have to do with the delays with at the Marina project in Carriacou, where 60 jobs would have been created immediately and 300 plus jobs at completion in 2 years? 300 hundred jobs in the marina sector in Carriacou! Mr. Speaker, can you imagine what this would have done for the economy of the Sister Isle?
- What does the recession have to do with the delays to the Camper-Nicholson Project, and the income lost for all those months?

Private Investment

Mr. Speaker, the attempt by the Minister of Finance to re-define the government's position on private investment projects, including those sponsored and promoted through Foreign Direct Investment was interesting, lacking in credibility, but interesting nonetheless. Mr. Speaker, during the NNP's term in Office, no one ever doubted the sincerity of the NNP Government's commitment in this area. This was simply not an issue, our position was well known.

Indeed Mr. Speaker, we did offer some "healthy concession and incentive" packages, to attract investment to this country, which this Government termed corrupt - but we always viewed this as, necessary to "put Grenada on the map". To place Grenada in that league of countries that people knew about as an attractive investment destination. This was not an accident, so I want to repeat, that we did take a decision, to attract the likes of De Savery, the Four Seasons Developers, and later Lewis Hamilton. We took a deliberate decision to welcome them and treat them well.

We understood that we were competing for investment with several other destinations, just as we are now. But this administration still misunderstands what we were trying to do, they think it was only about the investment, but they are not counting the spin-offs on the macro-economies and the productive sectors.

Rather than losing the Four Seasons project to another country, we recognized that Four Seasons is a champion of backward linkages, through their farm to table programmes. This is why we were ramping up agricultural production, for we viewed these projects as our export market "at home". Instead of sending the products, you bring the consumers here. We counted the potential benefits for such things as "private labeled water", draft beer, soft drinks, etc. The Minister boasted about the Cocoa Cola plant performance.

Mr. Speaker, we were the ones who provided these concessions as part of a broader vision, and had we been in Office, the performance of these operations would have been better than it is now. We would have provided them with greater facilitation, not through concession, but through our creativity.

But my Government always understood that once Grenada was established as a premiere destination for investment that we did not have to continue extending the same "rich package of incentives". This is why under our watch we have begun a comprehensive review and rewrite of the investment code. Let me repeat, the Investment code was commenced under our watch, it was nearly finalized when we left Office and was being referred to in conversations which we were having with new investors.

But the Minister of Finance takes ownership that this too, he could have been truthful and present that the NNP started it and I had the good fortune of completing it but he is not of this nature "he and he alone took credit for it".

The Burke Show.

Intellectually dishonest,

Mr. Speaker, Intellectual dishonesty.

I tell you the Minister of Finance is a stranger to the truth.

Mr. Speaker you must not think that the concessions which we granted were extraordinary, for we never allowed concessions on all food and agricultural products to any investor, unlike some countries in the OECS and the Caribbean; we never gave carte blanche on the use of foreign workers, unlike other countries. Indeed one of the grouses of some of our manufacturers, because we are not just dealing with tourism projects - is that even if we had reached our limit, others in St. Lucia and Barbados and Trinidad still benefitted from a "richer, more liberal" package of incentives than we could afford. Ask the brewery they will tell you, how we made sure they continued to pay the Corporate Tax, compared with other breweries in the Caribbean. Ask the rum producers.

So Mr. Speaker, the NNP Government with discretion, and prudence did what we had to do and we did attract the investment and provide the support for our investors.

But more, much more than this, these people had confidence in us. Never, Mr. Speaker never were we ever required to use the press and the good graces of this house to attempt to undo the "madness" which we did do in other forum, such as on some TV and Radio programmes, or in the News, or at cocktail parties.

For this Nation must know by now that despite the Minister mamaguy, the true heart of this matter is that this Government is against investment and investors, whether they be foreign or local.

They have said it time and time again, over and over. It has been said by various people, to various people. The horse is out the stable. You can try as must as you like to turn it now, but that is the true ideological perspective of this Government. Even the Prime Minister himself does not believe that foreigners have any rights as investors. The Agricultural Advisor wants to take back the land Four Seasons is on. This Government has frustrated the investors in the Marina project in Carriacou.

This is a Government that is at war with itself, and at war within itself. This is a government which from one day to another cannot make up its mind. This is a Government who's Attorney General after carrying out an investigation, including scrutinizing all documents and agreements told the world alone with his minister of Foreign Affairs that there was no wrong doing in the Grand beach Project.

Mr. Speaker, this is a Government whose Attorney General and Minister of Foreign Affairs announced to the world at two press conferences, that there was and I quote "no wrong doing in

the Lewis Hamilton project". While I have no brief for the Minister of Foreign Affairs, I want to give them credit for that, for they spoke the truth.

Yet still up to a month or so ago, the Prime Minister continues to argue that it was a "corrupt deal". If it was a corrupt deal, then it follows logically that the players - the buyers and the sellers - are the ones who must have been corrupt.

When last I heard, Lloyd Noel acting like an "enforcer", or some would say "stooge" for the Government, attempted an apology.

He is in the process of several law suits and has several more coming but at least he had the good sense to attempt "at an apology". But the Prime Minister continues to opine that the deal was corrupt. Now the Minister of Tourism then and the then Attorney General, (strange enough both of them gone) did take several trips and spend much of the Government's time trying to get the deal to fly. They Mr. Speaker understood the benefits. But if the Prime Minister continues to hold that the deal was corrupt, then it follows that members of his Cabinet were trying to conclude a deal with corrupt parties.

Who is the Prime Minister holding this brief for? Why is he so strident in his comments. Why the viciousness and the recklessness of his words? Is it for the Investors Mr. Speaker?

But this is a government that we heard sends a consistent signal to investors? Let us not forget!

Mr. Speaker, had it not been for the "improper conduct" of members of the investigative committee which the Prime Minister put together and the unexplainable behaviour of the Prime Minister himself,

the Hamilton project would have been a go. The fact is that there was an attempt to tarnish and malign the reputation of the investors and others associated with the project. The fact is that the Prime Minister placed Lloyd Noel and others on a committee and gave them access to confidential documents which were then leaked into the public domain.

Mr. Speaker that is a fact; a major breach of confidentiality; a major breach of trust; a major blow to investor confidence.

Now, Mr. Speaker this Prime Minister who stands for good governance, did not disband the Committee, no Sir he kept them, but surely he must know, as I'm sure he does that any report from them is not worth the paper it is written on.

Not all the "nutmeg in St. Andrews" can change that. This government has been tried and has been found guilty by its words, by its conduct, by its inaction, by its vindictiveness, by its breaches to sacred principles of confidentiality during negotiation, not by me Mr. Speaker, but by the investors who have done business with them.

If you try to do business with this Government, you will find intricate details of discussion, of your proposal, of your concerns, every detail of it in the Grenada Today, now the "New Today". Every detail, presented in a fashion to make you look like a crook, a conman, a thief, a liar, a scamp, anything else but a legitimate investor doing legitimate business.

This is the Government of accountability and transparency. Ask Peter De Savery, ask the Camper Nicholas team, ask Sir Royston, ask Neckles at Grenada Sugar Factory, ask the Hadeeds, and they talk about indifference to foreign and local investors!

But Mr. Speaker the people of this country, who travel, would see Lewis Hamilton, as the spokesperson and the "face guy", for Tag Heuer, he is the spokesperson and the "face guy" for "Johnny Walker", He is the face guy and a brand builder for "Hugo Boss" a world leader in business and fashion. But Mr. Speaker, this Government saw no value in him being a brand builder for Grenada. So they let loose their agents to railroad the project, and then the Prime Minister says it's corrupt and keeps on repeating it" and then the Attorney General and the then Minister of Tourism and Foreign Affairs say there is no "wrong-doing" and then the Grenada private sector then try to lobby the then Minister of Tourism in a final effort to save the project.... "OH WHAT A MESS, WHAT A MESS Mr. Speaker". All this time other Countries wondering if Grenada mad and if they don't know who Hamilton is.

Mr. Speaker, if this Government had not done all it can to railroad the project, if the Prime Minister who up till recently and while some in his cabinet were still trying to save the deal, did the right thing and stay out of it we would not have lost the project.

But Mr. Speaker, my Government considered it prudent to use Lewis Hamilton, as a brand builder for our Country in markets where we knew he was strong, markets such as the Far East, where they love his success as a person of colour and his passion for the sport - he is their hero. Many of these people had made commitments for properties which were going to be sold to them here in

Grenada. We knew he was strong in Europe and British Airlines had indicated that once he was here there would be flights. Brazil, China, Australia, all these countries, and in particular India, where they love the sport and there are 300 Millionaires emerging every year.

We were going to use the Hamilton brand and the Grenada brand to attract investment from all these places.

But this Government never saw the vision, even after Hamilton had transferred his million to the bank here in Grenada to close the deal. They never saw the vision. Even when they heard that he was looking at a second larger project, they never saw the vision. Even though it cost the country hundreds of construction jobs at a most critical stage in 2008, they refuse today to acknowledge that they are doing anything to "run" foreign Investment. Even knowing that there were 300 jobs for workers upon completion of the project in 2010, even then they refused to admit that it was a tactical error of judgment.

Even after hearing that he was moving his memorabilia collection here and that all who wanted to see his trophies and his medals and his tokens of achievements would have to come here, to Grand Beach they pretend as if they do not understand. We would have had a Hilton here today were it not for this government, and their cabal with agents like Lloyd Noel and a certain newspaper.

We would have had economic activity to take us through a rough patch in 2008 and 2009, as Hamilton later won the world Championship. Yet still some of them, not all, but principal among

them the Prime Minister continues to behave as though it was not a major loss, and the Minister comes and tries to tell us that they are welcoming of Foreign Investment.

But in all, these words provide us with interesting insights into the true intentions of persons. What would the Minister of Finance tell us that he wishes to "Unambiguously state....", from where did this ambiguity emerge, not from us? Who created this ambiguity if not the NDC, Members of Cabinet, the advisors to the Government, and other agents of the state?

Mr. Speaker, If the Minister of Finance does not understand that actions of his Government affected the appetite of Investment Banks and Finance institutions for Grenada, and also the appetite and disposition of other investors for the Country and projects here. If he doesn't understand that their actions and their attacks exacerbated the problems and made investors "go cold" on Grenada, then we will see no attempt to fix the problems, or to address the folly of his actions and that of his cohorts. The Minister talks about the Investment Code, taking full credit for something that we introduced, but misunderstanding that having a Code which will attract investment. MR. Speaker, the Minister still does understand that it is about Investor Confidence. Investor Confidence, Mr. Speaker, he just doesn't get it!

He doesn't realize that having a Code alone, has little to do with Confidence, particularly as our country is already Party to several multilateral Investment Treaties and Frameworks. But if people believe that their leases could be arbitrarily terminated at the whim of a Party Hack or a politician, or if their land and assets can be compulsory acquired by the Government, or if you could find your business at the centre of discussions by the "NDC Party People", and displayed for all to see in a certain news paper then they will "run away" from you.

For persons who subscribed to a philosophy which admitted to "dialectics", that everything affects everything else, I'm surprised at how they limit its application to broader areas, such as Investment. Truth here is that the attacks on Hamilton, and those associated with the project has had ripple effects on all investors, including those who champion other large investment projects. This disappointment Mr. Speaker was shared by the Four Seasons project. All the projects Bacolet Bay etc, Levera Bay Development, all these projects have been affected by the perception that this Government is not welcoming of private investment.

But the Minister's attempt to take one single project, the Four Season's project and to make a case that the Government's is not hostile to private investment, was quite laughable, though not funny, since the investors themselves have spoken loud and clear that they are fearful of this Government. Indeed this is a Government to be fearful of, Mr. Speaker.

In fact, Mr. Speaker, there are days when it does appear that the NNP Government did all the hard work to bring many of these investors to the Eastern Caribbean for other people to benefit. Indeed, even one investor is poised to refocus his attention and is being aggressively pursued by at least three Caribbean Governments at present.

This Government has and continues to do everything possible to drive this investor from our shores. Yet still the Prime Minister talks about forging a new economy.

But at least the Prime Minister's orientations are clearly in evidence and if nothing else, are consistent. This is why he so resolutely stated on the "beyond the Headlines" programs that

"Foreigners must not come here and tell us what to do". Mr. Speaker, a most unfortunate display of xenophobia, for a Prime Minister, particularly one who just returned from attempting to forge a global consensus on climate change. Frankly, Mr. Speaker, I thought that we now lived in a global village, a most unfortunate statement from a head of Government.

Since the Prime Minister has redefined the normal rules of conduct for Cabinets, from that of collective responsibility, I take liberty in extending this perspective on "Foreigners." Mr. Speaker I'm sure you would agree that it would not be seizing too much latitude to attribute these sentiments to that of the entire Cabinet.

Macro-Economic Policies

Mr. Speaker, let us face it; today this country has two major political parties with fundamentally different approaches to economic, social and political development. The NNP differs from the NDC in relation to how we treat the poor, how we cater to their needs. We do not take the view that they are "the masses", only useful when they are subject to manipulation for political gain. We have never lied to our people; have never taken them for granted. We understand that they need and deserve the same entitlements to food, shelter, education, health and the right to work and to earn a descent income.

Ours have and always will be motivated by our submission to a higher principle, best captured in the beatitudes "blessed are the poor, for they shall be called the sons of god"

I have submitted in this House on previous occasions that the NDC, has a healthy contempt, for the poor, far fewer numbers of whom are now receiving support under the NDC, but also for the

aged who were duped into voting for the NDC in exchange for the promised \$400.00 monthly, which they are still awaiting.

The NNP has a healthy respect for private property rights and private investment. We do not “molly coy”, condone or remain silent to threats and aggression by anyone aimed at creating uncertainty about the primacy of these fundamental rights. The NNP believes that Grenadian capital alone is insufficient to develop this country at the pace and at the level of income which is expected by our people, particularly the youth. We understand that private capital and foreign direct investment, brings with it not just money but technology and “world class standards”, which our country cannot always afford to buy, when decoupled from these flows of investment.

This is why we have signed onto bilateral investment Treaties and Multilateral frameworks for the protection of investment with CARICOM, the United States and more recently with Europe as a part of the Economic Partnership Agreement. But at the core, our philosophy is driven by a teaching from the Bible “Thou shall not envy anyone”.

This government seems to hate people’s success.

I submit Mr. Speaker that many in the NDC are driven by a dangerous strain of covetousness, which would stop at nothing - including using the instrumentality of the state to satisfy their narrow political ends”.

The NNP is not xenophobic, we understand that we live in a global village, and are welcoming of all races and nationalities that are willing to obey our laws and respect our culture, including our religions and other values.

We have seen words such as “Foreigners” return to our lexicon since the NDC took Office, and recent statements by the Prime Minister himself have left many with an increasingly uneasy and unsettled feeling.

Increase in Public Sector Personnel

Mr. Speaker, the NNP does not believe in big bloated government. We believe that a small and highly efficient public sector, which sets policy for private sector led growth and the unleashing of the potential by the Grenadian private sector, entrepreneurs and youth is the best “model of development”. Accordingly, we have worked over the last 13 years to reduce the size of Government and to mitigate contingent costs from a larger public sector. By contrast, this NDC believes in “big Government” and in the heavy involvement by the government in the productive sectors. We have evidenced a total reversal in much of the gains made in public sector reform in the year and a half since the NDC had been in Office and there are continuing attempts to stymie the growth of the private sector.

In this budget and the last one we have seen a pattern of runaway expenditure of the Government, to satisfy a political agenda by increasing the number of persons hired to the establishment by a whopping 240 persons. Can you imagine that despite all the efforts to reduce the size of the establishment and the pain of those cuts, over the years? Can you imagine increasing the size of the public service, of the establishment by 240 persons, and the Minister calls this economic management. I wonder what the international institutions will have to say about that when they find out. Can you imagine Mr. Speaker, after all the criticism about the 340

Vote, which was used strategically by my Government to reduce the size of the public service, and to reduce the exposure and contingent costs for Government. Despite all those criticism, the NDC administration then goes and increases the size of the establishment, reversing the progress achieved in public sector reform under the first NNP Government, the first NDC Government (after 1984) and the second NNP Government; increasing the cost of Government. The Minister tells us that the World Bank is providing money to do an Audit of the government personnel?

What a joke!!

Even more importantly, Mr. Speaker, the proper question to be put, "Is this the proper direction in which we ought to be heading", that of bloated Government? Small wonder Sir, that there continues to be serious difficulties meeting wages and salaries every month? And rather than "right sizing the public service", they are going in the other direction, and increasing it with consequential high and long term costs for the public purse.

Mr. Speaker a history of the right sizing process is instructive in appreciating the benefits achieved and the destructive path that this administration is embarking upon.

The Department of Public Administration (DPA) formerly known as the Department of Personnel and Management Services (DPMS) and later as Department of Human Resources (DHR) – is a central agency that was established in 1986, after the 1984 Review of the Grenada Public Service by the United Kingdom Overseas Development Administration (ODA).

The mandate for this department is to implement public sector reform initiatives, to introduce and sustain new personnel management practices and to develop programmes for staff development in

the public service. The DPA has a critical role in advising Cabinet on strategic management and (re) organization of the Public Service.

The Structural Adjustment Programme (SAP) from 1986-1988, a Grenada home-grown SAP, reduced the size of the service from 6,200 to 5000 over a three year period), i.e. 20% staff reduction.

In October 1991, an economic structural adjustment program was presented to the government by a cooperative team from the University of the West Indies, the Caribbean Development, the organization of East Caribbean States and the East Caribbean Central Bank. During 1992 the National Democratic Congress defended its structural adjustment program that included the reduction of the public sector and privatization of state enterprises. In January 1993 in an attempt to avoid an austerity programme to be imposed by the IMF, the NDC administration implemented a staff reduction programme and 700 civil servants were made redundant to assist in reducing government spending.

The value for Money expenditure reviews of 1998 resulted in the outsourcing of all construction, security, janitorial services and infrastructural maintenance activities carried out under the Ministry of Communication and Works.

The Commercialization Policy of 2000 resulted in the outsourcing of other service areas such as maintenance of sports facilities, maintenance of public markets, waste management, and cleaning of government buildings. The principle of Executive Agencies was being pursued with the World Bank at great cost.

In September 2002, a Zero-growth policy was implemented as a result of a World Bank recommendation to reduce the number of public service employees to a preferred ratio and in order to keep the number of employees in established positions at a steady level.

Reform-Phase iii: Public Service Management Improvement Project-March 2003-August 2006. Funding agency: Department for International Development (DFID) / UK

The principle objectives were to achieve:

- a. A well functioning Public Service Change Management Unit (PSCMU) managing the PSMIP process;
- b. Effective Cabinet systems serving the strategic needs of government;
- c. Well functioning strategic management systems being used by senior public sector managers;
- d. A legal and regulatory framework conducive to private sector development; and,
- e. A modern police responsive to the needs of all citizens.

Mr. Speaker since 1985 twenty five years ago succeeding administrations have been faced with the problem of restructuring the public service. The British government has spent over 20 Million dollars and the American governments, CIDA, World Bank, IMF and CDB have spent over \$30 Million dollars.

Mr. Speaker there is nothing more damaging to the long term prospects for this economy than what the expenditure for 2010 reveals. Imagine in this time of severe fiscal crisis the government

has increased its permanent staff by 269 persons. At the same time they have increased the number of contract workers paid under vote 340.

Staff increases could cost government over \$6 Million. Rental Increases are over \$3 Million and 340 increases over 2008 are over \$3.5 Million making an increase of over \$12 Million per year. This is Economic Management NDC style.

Mr. Speaker in times of fiscal crisis everybody down sizes 'reduces their staff' whether it's an NGO or the private sector or the public sector.

Mr. Speaker here you have a government which is virtually destroying the farming community, destroying the fishing community and devastating the private sector but at the same time expanding the size of government. Where are the resources coming from to pay for the increase in the size of the public sector?

The economy is contracting so that government's revenues will decrease unless they can extract a higher percentage of the national economic output by way of higher taxation such as the imposition of VAT. This is a no win situation for the government as it will lead to a further contraction of the national economy and a decline in government's revenues. In summary the government revenue may go up in the short term but in the medium to long term these revenues will decline. That's basic common sense but this is a government without common sense.

Here is a government which is catching its nennen to pay civil servants at the end of each month yet it increases its monthly bills. What will happen Mr. Speaker?

The fiscal crisis will worsen. There will be many months in which the civil servants salaries will be delayed and basic services the government needs to provide will not be fulfilled. Look at the situation in the health sector. The hospital does not have basic medicines. The various health centers do not have strips to test for diabetes. These same health centers do not have hypertension medication.

The situation is becoming dire and if this policy is not reversed, the operations of this government will collapse. You may pay salaries, travel overseas but there will be no resources left to do anything.

Mr. Speaker there will be a day of reckoning when the IMF, the World Bank, the Caribbean development bank, the European Union and even the government of Trinidad and Tobago recognize that funds provided to this government for economic development is entering the fiscal black hole to support a bloated vote 340 and the increased vote to pay civil servants.

One immediate response by the international community will be to freeze wages; this entails no increase in salaries for public servants.

Mr. Speaker this fiscal recklessness, this squander-mania leads to a lower standard of living for our public servants and all Grenadians families. Every one is impacted negatively.

And while they are increasing both vote 340 and the established workforce, equipment and materials votes keep shrinking and shrinking. More men, less tools, more jobs for the boys! More jobs for the boys to do nothing!

Mr. Speaker, there exists a multiplicity of different areas in which our party differs to that of the NDC, particularly so in respect of the "New NDC", led by the Minister for Finance, which has broken faith with the Grenadian people faster than any other party and Government in our political history.

VAT

According to the Minister of Finance.

"The high cost of living is one of the most pressing issues for our people at this time. Our Government is committed to doing all it can to tackle the cost of living. This we can do by reducing prices where possible or putting more disposable income in the hands of our people so that they can meet their obligations".

The Minister provides himself with two options, either reducing prices or "putting more money in the hands of our people". Mr. Speaker, the VAT initiative was started by the NNP Government under my watch. We support the VAT in principle. Under an NNP Government, a far more cautious approach was adopted with respect to the Vat for the reason that there are several peculiarities which have developed over the years, many of which are unique to Grenada, which we felt needed to be cautiously dealt with in introducing a VAT.

Mr. Speaker the Government side would have benefitted from this information, if they had not side-lined the Opposition, by rushing the VAT Bill through all the stages, while I was out of State. This even though, the Government side was fully aware that I was out of the country, and despite

several attempts to seek a postponement of the Bill to another sitting. Mr. Chairman, what we have here is a case of the "chicken coming home to roost".

Under our watch, we had not only studied the policy regime affecting imports and domestic goods and services in Grenada, but we had also undertaken comparison work on other CARICOM Countries.

So for instance we were clear that it would be difficult to compete with manufacturers from Trinidad, Barbados and other countries, who paid no VAT of a broad range of inputs. Mr. Speaker, most of these same inputs are VAT-able under the VAT Act passed in my absence.

Mr. Speaker, the Minister of Finance informed us that the consultation were ongoing for several months, yet still he presented this House with further amendments only on the occasion of the Debate on Friday last. One would have thought that these issues would have been long resolved.

It is a good thing that the Minister has finally succumbed to pressure and found accommodations for the fisher-folk, domestic agricultural, for the manufacturers and for some additional services.

We on this side of the House continue to be concerned though, that even with the "fix-up's", the Government will still bring adjustments to the domestic manufacturing sector, which the economy can ill-afford at this time. For the "snow and Ice" products, the apples, pears, grapes etc, these will decline in price relative to domestic agricultural products and the same will hold true for imported manufacturers relative to manufacturing. While the Minister's concessions announced at the Session on Friday, does make some adjustments, the problems which he has introduced by not bringing other supportive policy measures for these sectors at the same time will see many of

them subjected to greater competition with consequential implications for prices and farmers' and manufacturing income.

We continue to be particularly concerned about the rum producing sub-sector, garments and apparel, among others, including cottage industries and small agro-processing. This is not how the NNP intended to introduce the VAT, and while we support the initiative our approach would have been far more strategic and we never would have brought employment and price adjustments to the detriment of the productive sectors.

But arising from the concessions made to the productive sectors, which I want to repeat, the Minister should have made in the first place, the Minister will now have to bring adjustments to the estimates of revenue attaching to the VAT.

And this is a budget which the Prime Minister told us "***will speak to our commitment to returning our productive sectors to growth and put people back to work***".

Just last week the distributors were telling me, that up till now they are unsure about what specific rates will apply to which products. The manufacturers and the small agro-processors are telling me that the Minister of Finance, is saying that they will fix the problems as they go. This Country needs serious economics management at this time Mr. Speaker, not "Nazimatics". We cannot simply shoot in the dark and hope that we get it right and if we don't, stop and fix it Mr. Speaker. Our economic sectors, our private sector, our agro-processors, small and large, our consumers, our economy, our people, they deserve better Mr. Speaker.

So we appeal, through you, Mr. Speaker to the Minister of Finance, to fix the VAT before it is implemented on 1st February 2010.

Speedily pass the amendments to the Bill, before, Mr. Speaker, before it is implemented, not six months or nine months after.

Don't worry you have our support; because these issues rise above the level of the partisan politics.

Under the VAT the Government is proposing to collect some EC \$ 143.1 Million for the 11th months of 2010, plus EC \$ 8.2 Million in GCT for the month of January. My prognosis is that the Minister is in an invidious place, if the VAT is implemented in its present form, it will lead to major adjustments and loss of jobs in the productive sectors, beginning this year and accelerating in 2011. Consumer prices will rise by between 5% and 10% for many goods. Coming on the heels of the sharp decline in incomes, and in particular disposable incomes, the standard of living, measured in terms of the amount of goods and services which Grenadians can purchase, will decline.

Mr. Speaker take the example of a young mother, or an elderly person, living in fixed incomes, of EC \$ 900.00 per month, or EC \$225.00 per week. When such a person sends their child to the shop with EC \$ 100.00 for groceries, they could buy a basis basket of goods and an EC \$ 10.00 phone card. After the VAT is introduced, they will have to find nearly EC \$ 10-15 more for the same basket of Goods and they will have to do without the phone card Mr. Speaker. Now the Minister of Finance seems to have a particular problem with cell phone use. But Mr. Speaker, this

is another case of "burn a church to roast a corn". You see that a small proportion of people exhibit irrational consumption patterns in terms of cell phone use, so you take all of us.

Never mind that this same cell phone is the primary means of communication for this same old person with her children abroad, or with her neighbour or her son or daughter at work. He forgets that this same cell phone, is use by young women, who call when they are leaving lessons on evenings, and young men, when they are out late and have a directive to call home, at such and such a time. He forgets, that cell-phones are used heavily by the business community, and that it is the primary means of communication for farmers in the field and fishermen at sea.

He forgets all of this and taxes all of us, under the guise that he believes, that cell phone use is too great and he must tax it to bring all of us into compliance.

But Mr. Speaker, this same person on a fixed income will have to do without the phone card and will not be able to afford nearly EC \$ 10-\$ 15 on every EC \$ 100.00 from their food basket after the VAT.

And this is a Government who cares about the poor!

Mr. Speaker even the middle class will be affected. A manager working for EC\$6,000.00 will now have to pay the VAT in addition to the Personal Income Tax. And this is a government which promised to put "more disposable income in the hands of our people". Everybody loses under the Minister of Finance's irrational and contradictory VAT.

How will this country prosper and survive? They do not understand the essence of democracy. In a democracy the government works for the people but in Grenada this administration wants the people to work for the government. They have turned the principle of governance upside down. We have to sweat and toil every day so that they can travel everyday and pay their friends and families huge salaries every month.

But if the Minister will fall short of his revenue projections under the VAT, which is a possibility given that the economy is contracting, he will not be able to collect the EC\$143.1 Million targeted in VAT collection (plus EC\$8.2 Million in GCT), and the financing gap will be even greater. So the Minister will either destroy the productive sector and collect the revenues, or there will be a revenue shortfall and a large financing gap. In either case, this economy will have to make even greater adjustments in 2010.

We believe that in order to close the "financing Gap" the government will need to cut back on capital expenditures, grow the level of unpaid claims at the Treasury, or finance the gap through the overdraft facility at commercial banks. Mr. Speaker, we anticipate that despite the combination of these three non-transparent means of financing the gap, that a large number of the programmes which the Minister of Finance recited on Friday, will not be undertaken especially those that depend on local financing.

In all this we anticipate that we will be back here within matter of months to debate a supplementary Bill to authorize additional expenditure. However, the real rub, will be that there is every likelihood that the revenues will undershoot and the "financing gap" will grow under its present policies and behaviours.

On the matter of macro-economic sustainability, which the Minister referred to I want to add the following observation after his idle boast and my earlier meticulous response. We have noticed a definite trend towards a declining current account balance since 2008. In 2008, the current account surplus was EC\$46.4 Million, this declined to EC\$2.9 Million in 2009. In 2008, the overall balance was

EC\$92.8 Million of which EC\$85.1 Million was financed, leaving a gap of EC\$7.7 Million. In 2009, it went up to EC\$11.0 Million, of which

EC\$58.8 Million was financed, leaving a gap of EC\$11.0 Million. This year the overall balance is cited as EC\$72.6 Million, the financing gap is EC\$48.9 Million, and only EC\$23.8 Million has identified financing. What is happening Mr. Speaker is that the Government's ability to mobilize both internal and external resources is declining; secondly, this situation is cause for concern, as it is not sustainable. As I said, the obvious implication is that the Government will not be in a position to finance the Capital budget with its consequences for growth, jobs and revenues.

Now Mr. Speaker, my reading of the IMF and Bank's Reports suggested caution, not the glowing picture of economic performance and management that the Minister painted for us. His submission to this House is at variance, with reality, at variance with the advice of the World Bank and International Monetary Fund and at variance with the truth.

Nazimatics again, Mr. Speaker.

Nazimatics again.

Mr. Speaker, Economic management of a country is seriously affected by the incompetence of those in leadership.

This government's actions have caused people as well as the economy to hurt.

Mr. Speaker, the following escapades glaringly show up their incompetence and other factors attributable to them that contribute to the poor state of our country.

Incompetence/Management

1. Kuwaiti project and CCC-Loss of jobs and roads and resources.
2. CDB-Greater Grenville Project.
3. Misuse-Use of Stadium.
4. Perseverance Rock falls.
5. Gravel and Concrete.
6. Toronto-Grenada Air Service.
7. Sand Issue-No Materials and Cost.
8. Banana Issue-Import from St. Vincent.
9. Fertilizer.
10. Unpaid Claims/Overdraft.
11. Expansion of Public Sector.
12. Lack of resources/Material.
 - a. Sport; b. Agriculture; c. Social Services; etc.

Factors Contributing to the Poor Economic State.

1. a. little or nothing in two budgets to stimulate Economic Activity.

b. A concerted and sustained effort to negate or reduce the initiatives of the 13 years of NNP government at the expense of the country.

2. Lewis Hamilton-Grand Beach.
3. Lagoon Project.
4. Bacolet Bay.
5. Four Seasons Mt.Hartman Project. (Ferron Lowe)
6. Gouyave Medical Station.
7. CDB Greater Grenville Project.
8. National Athletic Stadium.
9. Cricket Stadium.
10. Farmers/Fishermen Loan Scheme.
11. Sauteurs Port/Marina Development.
12. Levera Hotel Development.
13. Chinese 2000 homes.
14. Attack on Foreign and Local Investors.

OTHER ECONOMIC PROBLEMS.

A. Lack of Concern for people, particularly the Poor and Vulnerable.

1. Treatment of Road Workers (Hot Sun)
2. IMANI and Youths.
3. Social Program-removal and or reduction.
4. Dialysis and Oncology services.
5. Removal of funds for medication for poor and vulnerable.

6. Marker squares and vendors.
7. Police treatment of vendors.
8. Lack of support for students studying abroad.
9. House repair program.
10. Removal/reduction in farmers-fishermen fund.
11. Cost of fertilizer.
12. Cost of sand.
13. Loss of thousands of jobs.

B. Dysfunctional government

1. Lewis Hamilton
2. Firing of Attorney General. Assurances given to Cabinet Members and the allegations that there are Two Cabinets.
3. Nothing demonstrates more graphically the serious dysfunctional nature of this government than the contradictory and conflicting statements and instructions from different members
 - a. CCC matter-Prime Minister and Minister of Works.
 - b. The housing corporation bulldozed the home of a lady with six children as she was squatting on housing corporation lands. Her case requires a degree of sympathy and consideration because no government should leave six Grenadians without any form of shelter. Without care or empathy the housing corporation acted and did not even inform their supervising ministry. As a result from pressure from the

Grenadian public they are now going to rebuild that house which was destroyed. Who is accounting for the waste of government resources? Where are the integrity and the decency? Either the Minister or the Board should offer his or their resignation, Mr. Speaker.

4. Hospital
 - a. Ring road-project-to present hospital
 - b. New hospital-Two Ministers.
5. Finance Committee.
 - a. Absence of the Prime Minister
 - b. Absence of several elected members.
6. Renaming of Airport.
 - a. Announcement in Cuba.
 - b. Prime Minister failing to announce it after decision was made but instead announcing naming of Carriacou airport.
7. Lagoon project.
 - a. Minister of Works, Tourism and Foreign Affairs announcing support.
 - b. Prime minister and advisors criticizing the arrangement for the project as a corrupt deal.
8. ZUBLIN PROJECT-CASINO.
9. Waste Management unit established.
 - a. Misuse of vehicles.
 - b. Increase rental offices.

c. Increase travel expenses.

10. Appointment of Governor General – Cancelled because basic procedures were not followed, making a fool out of the President of the Media Workers Association.

11. Certain Publication announcing cabinet/government decisions before some Ministers are aware.

12. Claims by many-responsible for electing government and in particular the Prime Minister and therefore can do as they please.

13. Some Non Elected Ministers openly talking of getting rid of Ministers who were elected.

14. (a) Prime Minister claims school book program in 2008-2009 was \$10 Million and it was their flag ship program. Minister of Education says it cost \$4 Million and official document says \$4 Million.

(b) Also many deserving children not receiving their quota.

(c) And those who could afford are getting their full compliment.

(d) No uniform allowance and other support

C. Politics of Spite, Hate, Victimization and Fear.

1. My vehicle and Equipment removed.

2. Passport issue and searching of my wife.

3. Removal of persons from social programs.

4. Road workers pay and distribution of work (one set of people)

5. Dialysis and Oncology programs. - Forrester

6. Kuwaiti project and Farm roads.- Louison

7. Promotion/Transfer within the police force.

8. Tapping of telephones.
9. Misuse of FIU and Bank Accounts.
10. Attack on Former Governor General.
11. Detention of Hugh Wildman.
12. Maligning Dr. Patrick Antoine who served this country with distinction.
13. Allan Campbell.
14. VAT on Cell Phone.
15. Attack on Investors.
16. Removal of Competent Managers-Contractors-Hiring party supporters.
17. Treatment of some Public Servants. a. Cabinet Secretary b. New Permanent Secretaries.
18. Land Issue-Carriacou and other areas.

D. Politics of Lies/Propaganda

1. Road workers pay and reason for reduction.
2. \$6M from Venezuela not accounted for.
3. New company from Trinidad to set up DIALYSIS UNIT.
4. Grynberg suit is not against state-personal matter.
5. Project proposal and Economic analysis were not undertaken for Sauteurs Port Project.
6. CCC work and roads 16 miles-only left completed. No phase II
7. Treasury was empty.
8. Did not know that some workers were not paid before he left for World Bank meeting in Turkey.

9. My wife refused to hand in passport and was attempting to impersonate Mrs. Thomas.

10. Former Prime Minister and leader of Opposition is a U.S. citizen.

11. Former Governor General was being paid over \$14,000 and was involved in corruption.

12. Refused to admit to \$1000 for IMANI and \$400 for the Elderly.

13. Taking credit for any successful activity of the NNP which is being pursued.

14. Taking credit for increase in Agricultural output.

a. Increases came from Nutmeg-8 years to produce Cocoa-3 or 4 years to produce.

Much action came prior to July 2008.

Little occurred after and NO BONUS was provided this year.

b. . . (i) Bananas-8 months to produce (decrease)

(ii) CASH CROPS-reduce economic activity and praedial larceny increases; little or no support from government.

E. Lack of Transparency, Accountability, Integrity and Good Governance

1. Dropping of charges against known political activists of government.

2. Witching hunting of innocent people.

3. Finance committee and public accounts.

4. First class, wasteful travels of some Ministers and Political activists.

5. Wastage at board of Tourism.

6. Ministers living of family members at exorbitant salaries without competition and transparency. Franka, Gilbert and Burke.

7. Trucks owned by Minister/spouse working with Government department.

8. Public Integrity bill and declaration of assets.

9. Attempted political interference in work of public service commission.
10. Wife of Prime Minister as Chief Personnel Officer in the Public Service commission.
11. Importation of sand and cost-Transparency.
12. Use of Stadium and contracting out of facilities for shows.

CONCLUSION.

Mr. Speaker, unless and until the Minister of Finance properly understands that while this is among the worst of times globally, it need not be the worse of times domestically; Until the Minister accepts that much of the flight of capital investment which has occurred has not only emerged under his watch, but has occurred largely from a combination of his inappropriate actions and inactions, and utterances by him. Unless and until the Minister of Finance comes to this realization Mr. Speaker, this country will continue to suffer economic and financial malaise.

"Is not the global recession at all," they told people; "is Keith and corruption and the NNP!"

Consequently Mr. Speaker, our Country has suffered major delays in putting the right policy measures in place, which along with the pursuit of vindictive and spiteful policy measures have virtually back us all into a corner.

Mr. Speaker, my greatest fear is that after all the debate has concluded, after all the advice proffered, and the visible and continued suffering of our people, this government will not change course. Mr. Speaker, when will this team realize that nothing good will come from lies and

propaganda? When will the so-called religious men and women who helped them in this agenda start their repentance by advising this administration that it is written, "Thou wilt destroy all that speak a lie" (Psalm 5:7). The mouth that believeth, killeth the soul" (Wisdom 1:11). "Wherefore put away lying, and speak the truth" (Ephesians 4:25). And in God's own hand "Thou shalt not bear false witness" (Exodus 20:16).

Gary Dale Cleary in expounding on this commandment against lying wrote; "Herein is the danger of the propaganda. To make the untrue appear to be a hidden truth. To make the real truth appear to be a façade that we are all shaded with. And to spread just enough of the familiar in the lie that one might bite it hook line and sinker if one is simply too lazy to dig deeper and find the truth." Mr. Speaker. Does this not sound familiar? It is indeed; and all Grenadians have experienced it. For it is the working of the National Democratic Congress in opposition and in Government. However Mr. Speaker, many Grenadians have dug deeper and have found the truth. As with Gary Dale Cleary, in their digging and research they left no stone unturned and under every stone they found lies and deceit. Lies and propaganda and conspired false allegations against senior members of the NNP administration; deceit in their promises to the Grenadian people; and deceit from maneuvering their partners in Civil Society.

Mr. Speaker, after eighteen months in office the Grenadian public expects a change in government's actions of victimization, hate and spite, and an immediate end to the witch-hunt that eat up our scarce financial resource.

They see the members of this administration channeling their energy into destroying people and businesses that they perceive do not support them with disastrous effect on the economy of this nation. Dr. S.I. McMillian in his book "None of These Diseases" describes hatred: "The moment I

start hating a man I become his slave. I cannot enjoy my work anymore because he even controls my thoughts. . .The man I hate may be miles from my bedroom, but more cruel than any slave driver, he whips my thoughts into such a frenzy that my inner-spring mattress becomes a rack of torture. I really must acknowledge that I am a slave to every man on whom I pour my wrath." More important is the command of God in Leviticus 19:17 - **"Thou shalt not hate thy brother in thine heart."**

Unless this government harness all of its acutely limited capacity and channel its thoughts into effectively managing the economy, there will be only be increased suffering for all sectors of our population.

Mr. Speaker, Victimization and spite is the inflicting of painful and evil measures on another party by virtue of one's position or power for no reason but dislike for the other party. The NDC Political victimization and political spite are driven by political envy and the propensity to commit any crime to destroy the New National Party and anyone, individual or corporate; wives, children or other family members who they think support; even if they destroy Grenada Carriacou and Petite Martinique in the process.

Mr. Speaker, when one associates with or heads a team that lies, he also lives a lie. The Prime Minister must stop living a lie and start living up to the words that he constantly abuses: Transparency, integrity, accountably and good governance. They must declare their assets; they must hold Finance Committee meetings; and they must not prevent the public servants from providing information to the Public Accounts Committee. The good Book squarely tells us that this kind of behaviour cannot last. Whatever is done in secret or in dark places comes to light for others to see and know as it is written: "For whatever is hidden shall be revealed, and whatever is

done in secret shall be known and come to light". Luke 8:17 and as elaborated upon in www.bahamasissues.com, we see this reality every day throughout the court system (as sought by this administration in their forensic and special prosecutorial attempts) and among families, friends and adversaries. Whatever is done in secret shall come to light.

Mark my words Mr. Speaker, the information that they are trying hard to conceal will have its repercussions.

Mr. Speaker, in order to stem the country's economic slide, the Government must first admit and accept its poor and undesirable qualities. The Bible teaches the first step to repentance is acknowledging one's sins. Just as an obese person committed to losing weight must first accept that he or she is terribly overweight, so too must this administration accept that it is inept, incompetent, and lacks managerial skills. Only then will they seek help. For they do not have the capacity to manage and no amount of consultation or advice will help without this conviction since they will not accept any.

Mr. Speaker, to the Minister of Finance who told of the funeral of the NNP I say the following...

Mr. Speaker, through you to the People of Grenada, Carriacou and Petite Martinique I leave the words of the Psalm 30:5

"Weeping may endure for a night, but joy cometh in the morning."

APPENDIX I