

**LEADER OF HER MAJESTY'S OPPOSITION DR. THE RT. HON. KEITH MITCHELL  
2012 BUDGET RESPONSE**



Mr. Speaker, I wish to begin the opposition's response to the 2012 estimates, by sharing with this House and the nation as a whole the very pertinent words of Jillian Anderson, who said:

'I truly believe that we can overcome every hurdle that lies before us and create the life we want to live. I have seen it happen time and time again'.

Mr. Speaker, I have a firm conviction that Grenada will rise again from the shambles that it is now in given the fact that we have gone through many crises in the past and have emerged even better than before.

Mr. Speaker, it is my firm belief that we shall overcome and usher in a bright new day for ourselves and our children.

Mr. Speaker, before going any further wish to thank the Almighty for giving me the health and strength to serve this country in different capacities over the years -from school teacher to Prime Minister.

I also wish to take this opportunity to express my deep gratitude to the people of the St. George North West constituency for consistently electing me to serve their interest in this Parliament and elsewhere for the past twenty eight years. I also wish to thank the people of Grenada in general for the support and cooperation I have received in my service to the country over these years. For this I am extremely grateful. It is definitely a tremendous honour that comes with a responsibility that I take very seriously.

My one regret, Mr. Speaker, is that in spite of the significant gains and impressive advances attained between 1995 and 2008, our country and economy are in virtual shambles today. Today, we seem to be stumbling from disaster to disaster {and here I am not speaking about natural disasters} while our political leaders seem to operate as if in a state of perpetual oblivion not fully appreciating what is happening to the country and certainly not having what it takes to effectively address the worsening situation. They seem to have no real sense of the reality on the ground, of the nature of the trauma that our people are going through.

Mr. Speaker. History tells us that when a nation or people are facing problems of this kind of magnitude leadership that is astute and visionary-leadership that feels the pulse of the people- is the main contributor to effective recovery. But there is no people-oriented vision, and as the Good Book says, where there is no vision, the people perish.

Mr. Speaker, we heard, and are still hearing a lot of talk about good governance, but I want to advise all and sundry that governance that does not respond to the cries of the people cannot be good; governance that is divisive cannot be good; governance that is based on spitefulness and hatred cannot be good; governance that is based on broken promises cannot be good; governance that benefits only a very small proportion of the general population cannot be good; governance that condones and encourages the vicious and scandalous attack on a Former Governor General cannot be good; governance that did not condemn the removal of official vehicles, telephone and passports of a Former Prime Minister in some cases while he was still the Prime Minister, cannot be good; governance that condones the harassment of the wife of Former Prime Minister, especially who served for 13 years, cannot be good; governance that allows and encourages party and Government Official to disrespect and

show contempt for some Ministers cannot be good. Mr Speaker, the reality is that good governance does not exist in Grenada at this time in our history.

Mr. Speaker, contrary to what is being preached, this Government has quickly become vengeful, resentful and dismissive, even treating the Parliamentary Opposition with scorn. For example, Mr Speaker, we note deliberate attempts are being made to stifle political debate in this House by giving very short notices. Obviously this practice can only handicap the Opposition and curtail meaningful debate. It is an assault on democracy.

In the same vein, Mr. Speaker, there are the unrelenting personal attacks on the Leader and members of the Parliamentary Opposition, the intimidation of political opponents and the general use of the tactic of intimidation against all those, including public servants and police officers, who stand up to the unethical behaviour of certain Government officials. Mr. Speaker, this pattern of behaviour is inconsistent with good with democratic governance.

Mr. Speaker, consistent with its overall attitude, this Government deliberately keeps its people in the dark. It refuses to provide what should be public information on economic and fiscal performance, overseas travel by Government ministers and officials and the award of scholarships. Consistent with that approach it has failed to provide information on the BNTF audit report and its findings, it is silent about the Boundaries Delimitation Agreement with Trinidad and Tobago. Those who know about this Agreement would know that it is a give away. Grenada has lost big time, Mr. Speaker.

#### **OPPOSITION WARNINGS TO THE GOVERNMENT**

Mr. Speaker. Since this Government took office, the Parliamentary Opposition in a spirit of partnership has been giving advice and warnings about the impact of certain Government policies and actions. We have consistently advised that government and opposition should agree on some major policy decisions on matters which are critical to the country's future. We have been consistently been ignored.

We warned that allowing a few privileged yes-men and women to run amok with the country's resources, threatening political opponents and even members of their own Government and acting with impunity while living the best lives they ever had, will hurt the image of the country and would lead to the demise of the Government.

We warned that the politics of spite, divide and rule witch hunting and neglect of the poor and needy will not work in the interest of the country. It will lead to the kind of disaster we are seeing today.

We warned that failure to build upon the foundation laid by previous Governments would bring economic meltdown including increased unemployment business closures, capital flight and general frustration.

We warned that the scrapping and/ or mutilation of important programmes such as the IMANI programme, the Safety Nets programme and the incentive programmes in agriculture and other productive sectors would hurt young and old, would cause desperation, would cripple the productive sectors and make our country and people less able to help themselves and cope with the demands of today' world.

We warned that the unwarranted and unprecedented attacks on businesses and business people would hamper our ability to keep existing businesses and attract new ones.

We warned that the failure to service debt, such as the Taiwanese debt, would hurt the country, particularly in securing international financing.

We warned that the hasty restructuring and scaling down of the debushing and other safety net

programmes would deal a severe blow to the poor and needy and add to the problems faced by many individuals and families. It is also a threat to the stability of the country since extreme poverty can lead to criminal behaviour.

We have consistently warned that the bloating of Government ministries with Government supporters, family members and party officials with salaries beyond that of the average public servant, would unnecessarily increase Government expenditure, and would only serve to demoralize career public servants while hurting the finances of the country.

We warned that the very high travel expenses of Government Officials and their cohorts, the purchase and rental of office space, made necessary by the above-mentioned bloating of the service are contributing to public servants' malaise while putting an additional and unsustainable burden on taxpayers.

We warned that it would be reckless to refuse to increase the salaries of established public workers while at the same time spending close to \$100 million on contracts. The attempt to blame the NNP for those increases is totally disingenuous. The real facts about this situation will be provided later in this presentation.

Mr. Speaker, It seems like this Government does not understand certain basics in economic management and development. It does not understand that it requires a whole package of measures including legislation and regulations, physical and institutional infrastructure, administrative competence, and local and international goodwill{an asset which has been irresponsibly squandered} to successfully attract business. This Government is shouting from the rooftop while the ground is not prepared. If we are not careful, if we do not put our house in order in accordance with these requirements, we will never be ready.

## **LOST OPPORTUNITY**

Mr. Speaker. This period in our history will be termed by historians and commentators as a period of lost opportunity after July 8, 2008. Yes a great opportunity to continue the process of building a nation has been lost. Our nation is very much worse-off than it was before. Instead of hope, what the people of the country have had from this Government is intense frustration and disappointment. The people are neglected while members of the very small group of political priviligencia work towards consolidating their position and enjoying the spoils. This is a classic dynamic of political deceit. But we are not surprised, we have seen this before.

Mr. Speaker. We note with great concern, even alarm, the break up of the Prime Minister/ Ministry into two separate entities, the Office of the Prime Minister and the Ministry of National Security, Public Administration, Disaster Management, Home Affairs, ICT and National Mobilization. Mr. Speaker this unlikely and unrelated concoction is simply designed to consolidate power in the hands of a few individuals and give the administration the tools to do what it wants including serving as a vehicle for political victimization and spite.

Mr. Speaker, the office of the Prime Minister will now become a haven for the Party boys to perform their political activity, including the victimization of political opponents and others from whom they perceive a threat, and of course they will be paid very well, the unemployed poor and the working poor will be left to struggle. It is not by chance that these two Ministries fall under the ambits of the Prime Minister and Minister for National Security, Mr. Speaker. It is from here that the Political Boys will be able to direct the workings of the Financial Intelligence Unit and engage in political persecution at the behest of their political masters.

But it is not only the opposition members that will be targeted. Some members on the Government side are under the microscope. They are being viewed with great suspicion. Their actions and their words are

always being scrutinized. They are seen as rebels who must be sidelined and so they will not be spared. They will be forced to endure the same persecution that members of the Opposition and are now being subjected to. It is amazing the way that power can change some people. We are seeing the abandonment of all the lofty principles that we heard about during the campaign... What we are seeing instead is a resort to the tactics of Machiavelli, Marx and Lenin combined.

Mr. Speaker, in general it is becoming more obvious each and every day that this Government has failed to deliver on its promises to every segment of the population and every sector of the economy- businessmen and women, teachers, nurses and doctors, lawyers, contractors, public servants, carpenters, masons, electricians, painters, sales people, farmers and market vendors, fishermen and fish vendors, road workers, bus owners and operators, taxi operators, and small shop keepers to name a few. All of these groups are now feeling the impact of empty promises, broken dreams and ineptitude.

In spite of this dire and hopeless situation, Mr. Speaker, the Honourable Member has told this House and the nation that the recession has ended and growth has begun. Mr. Speaker, how can there be growth when there is less business, less employment and less investment and less economic activity in general?. It is clear for all to see that less is happening in the country than before. As wise people say, Mr Speaker, who feels it knows it. The people of this country are not seeing it and they are not feeling. For them, it just does not exist.

Yes, Mr. Speaker, this is the backdrop, the climate in which this year's estimates have been presented to this House and the people of the country. I shall now proceed to outline to this House and the Nation, the very obvious shortcomings in the estimates and provisions in order to demonstrate the parlous state to which this our dearly beloved country has fallen since this Government came to office.

## **EDUCATION**

Mr Speaker. The estimates for the Ministry of Education and Human Resource Development for the 2012 financial year represents a continuation of the same patterns which were identified and brought to the attention of this Honourable House and the nation during the estimates for the year 2011.

Frankly, Mr. Speaker, it is either a case of chronic misjudgement and inaccuracy or a deliberate attempt to mislead the nation and the international community.

This kind of inaccurate or misleading budgeting is evidenced by the repeated under budgeting for the T.A Marryshow College. Mr. Speaker, during the debate on the 2011 budget I advised that given what we all know about the operational cost of the T.A Marryshow Community College, the allocation of \$8.2 million was not enough, and that the Government would have had to find significant amounts of additional money to ensure the continued operation of the institution,

Mr. Speaker, true to form they did not bother, they did not listen. Well, we are now informed that in the 2012 estimates, the estimated outturn for 2011 is a whopping \$14.3 million, \$6.3million or 74% above the budgeted estimates. Yet, Mr. Speaker, the estimates for the year 2012 is \$11.8 million, which is \$2.5 million less than the estimated outturn for 2012. Mr. Speaker that kind of irresponsibility can subject our whole system of governance to ridicule. We know that in the end the Government will have to find more money to support TAMCC operations. The question, Mr. Speaker, is where will the money be found to address the shortfall in this vote and for other votes for which the budgeted allocation is woefully inadequate? More commercial loans and treasury bills will put an additional burden on taxpayers.

Mr, Speaker. This kind of persistent under budgeting cannot be accidental. It must be deliberate. For we believe that in spite of its shortcoming, the Government should and can learn from its mistakes. What makes the issue even more troubling, Mr. Speaker, is that this practice is pervasive across the entire budget. It certainly is the credibility and efficacy of the budgeting process as well as the document.

Mr. speaker, it is significant to note that the estimates for Schools' Administration and Management for 2012 is \$70.5 million, which is less than the provision for the same category for 2010. Mr. Speaker, one would have thought that some provision would have been made to accommodate teachers' and other workers' request for adequate compensation. But as all we know, this is a government that does not listen, in spite of its claims about good governance. To add insult to injury, the Government can find money to bloat the public with their cronies, including a Chief of Staff and others, teachers and other workers are left in the cold. How can a government that complains about the lack of money to pay its public servants and service its debt, find money to employ hundreds of people on fat contracts. It is clear, Mr. Speaker, that the people of this country have been deceived.

Mr. Speaker, I surmise that at the bottom line it is a question of priorities... Not one additional cent for public servants, but millions for contracts for the boys and girls.

It is interesting to note. Mr. Speaker, that the provisions for the school feeding programme demonstrates woeful neglect of the children, many of whom are unable to obtain a proper nutritious meal at home, because their parents cannot afford, It is simple. Not enough priority is being given to the welfare of our children.

Mr. Speaker, the Ministry of Education should advise this House, the general population what has happened to the Education Plan, a plan which was developed with input from the World Bank and UNESCO. This plan was praised as a model for developing countries and circulated far and wide. We hear nothing about it today. Perhaps the thinking is that it is an NNP document or that the Minister knows so much that she does need a plan. This personalization of state or Government function is dangerous.

Mr. Speaker. Like other public service workers, teachers and Ministry of Education are expressing particular grievances, which I now wish to bring to the attention of this Honourable House,

Among the things they continue to complain bitterly about are the following:

1. There is an absolute lack of consultation with stakeholders. . Policies and directives are passed down in a very high handed manner.
2. The physical conditions of many schools are worsening. In addition, teachers are forced to operate without adequate amounts of materials and teaching aids.
3. The management style of the Minister is a matter of great concern. The minister talks down to teachers and does not give them a chance to air their views or explain the difficulties they are facing.
4. The school books programme, for all the hype, is not working. Many schools are not receiving books, and where they are receiving, the numbers are too small.
5. The appointment of principals and teachers is subject to political interference, some with the relevant qualifications and experience are bypassed.

## **HEALTH**

Mr. Speaker, the problems of the health care system have not only been persisting, they are steadily getting worse. Whether it is the problems at the General Hospital and district medical facilities, whether it is the problems related to the supply of very important drugs and other medicines, whether it is the problems faced by doctors and nurses, orderlies, cooks, cleaners and security staff in terms of the facilities and the tools they need to operate effectively, the problems are increasing and they are not being addressed.

Mr. Speaker, the general Hospital is a place of healing. It is a place that many turn to when they are very ill. Unfortunately it is a place of frustration to many, due mainly to the fact that the lack of basic resources hinder the staff in the performance. When professional hospital staff are not provided with the

basic equipment and supplies that they require to carry out their duties, both they and their patients become frustrated...

Mr. Speaker, similar to the Ministry of health workers there are a number of grievances, among them the following.

- 1) As mentioned above there is an acute shortage of medicines and other basic medical supplies.
- 2) Basic lab tests cannot be carried out because of the lack of reagents
- 3) There is a virtual collapse of the dialysis services.
- 4) The hospital is in a state of disrepair and general untidiness. Adequate amounts of cleaning material are not provided
- 5) There is only talk about primary health care but no meaningful action.
- 6) Some qualified nurses are not fully employed, but are kept on a stipend for years.
- 7) There is a lot of talk about primary health care, but no concrete steps are taken,
- 8) There is low morale among staff at all levels.
- 9) The chemotherapy program has virtually collapsed after hospital staff were trained. Nurses and doctors ask where is the trained oncologist? Where are the drugs? Who is presently providing chemotherapy services? What is the status of the cancer registry? Have the results of the investigation into the cancer-related death of a student nurse and other untimely deaths been made available?
- 10) The minister is persistently unavailable to meet with NGO's and a number of qualified and patriotic Grenadians who are attempting to offer services to the country.
- 11) The 2006 to 2011 Strategic health plan has expired.

So, Mr Speaker, we have a situation in which nurses and doctors are frustrated, patients complain about the length of time they have to wait for attention and the fact that they cannot get the medicines they need while at the hospital. In fact, Mr. Speaker, things at the hospital are so bad that patients are forced to get things like pillows for themselves because, in some cases, they cannot be provided by the hospital.

Therefore, Mr. Speaker, I call upon the Government and the Minister to stop playing politics with people's health. And take immediate steps to rectify this untenable situation.  
I wish them success.

## **SOCIAL SERVICES**

Mr. Speaker, It is very clear to all honest Grenadians that this country is not out of recession, that the people of this country, in particular the economically disadvantaged, continue to endure severe hardships from day to day. They will not and cannot understand all this talk about the end of recession and the beginning of growth.

The previous Government (NRP), recognizing the social problems, exacerbated but the impact of Hurricanes Ivan and Emily sought to buffer the impact by increasing allocations to the existing social programmes and in some cases established new programmes to aid the more vulnerable in our society since 2005. In addition, when it became obvious to the then Government that the country was experiencing the impact of an international economic crisis, we initiated a meeting of the Heads of Government, in December 2007 to facilitate the development of a regional approach to confronting these problems.

The result of that meeting was the establishment of a range of safety net initiatives, including milk distribution, the provision of food baskets, and transportation allowance and others.

Mr. Speaker, any reasonable person would have expected the present Government in admitting that things have gotten worse, would have increased allocations to these support programmes to assist the vulnerable in our society and in some cases initiate additional programmes.

Mr. Speaker, what are the facts. In 2010 Government projected to spend \$17.1 million but actually spent \$5.0 million less. In 2011 the Government is projecting to spend over \$1.6 million less than they projected to spend for 2010.

In 2009 they projected to spend \$18.7 million but only spent \$14.3 million.

\$16.1 million was projected by the NNP Government to be spent in 2008. The NDC Government came into office in July and only \$15.3 million was actually spent.

In 2007 the NNP Government budgeted \$11.3 million but spent \$12.1 million.

Mr. Speaker, the above numbers speak for themselves. That while Government is budgeting a certain amount and make noises during the budget presentation in terms of actual spending it is in fact cutting back on these programmes.

YOUTH

Mr. Speaker after almost four years in office, this Government has failed to enact a youth policy and a strategic plan to give guidance and structure to the activities of the Ministry of Youth and other entities involved in youth development activities. In our view, it is impossible to do any serious or meaningful work in the area of youth development without these. No wonder that the situation is as it is at present. Things are done in an ad-hoc manner at the whims and fancies of certain officials.

It is noted, Mr. Speaker, that the sum of \$12.6 million has been estimated for the youth Empowerment programme in 2012, the same as that for 2011. However, the actual provisional for 2011 is only \$7.5 million. Given the high level of inefficiency in that Ministry, we do not expect much to happen even though we know that the intention is to hoodwink the young people of the country as we approach the next general election.

Many programmes from which young people benefitted (programmers that made significant contribution to the youth development process), were either removed or significantly scaled down. Examples of this include the youth parenting programme, youth skills training programme, the leadership training programme, youth pulse, as well as spiritual mentorship programmes.

Mr. Speaker under the previous Youth Enterprise Program young people received free guidance and technical support to prepare their business plans. Now they are forced to pay a fee.

Hundreds of young people who were engaged in the GTEP Program (from which they would have graduate with regionally recognized certification) were sent home after the program was dismantled and today they are forced to accept part time employment through the Debushing Program.

There is a pervasive sense of hopelessness among youth. That frustration is manifested in drug and alcohol abuse, violence and crime, which lands many of them juveniles at Richmond Hill Prison, or the mental hospital people at the mental home. Grand Bacolet Rehabilitation Centre: Why is it really on hold since after the last election? Is it that the Government doesn't care about youth rehabilitation or is it that they continue to play politics even with the lives of young people?

Why is it that staff members in the Ministry of Youth are allowed to sit at home for months with pay because some programmers are not running effectively? Wasn't it the same Minister who had the solution to every problem and could bring perfection to the Ministry?

Mr. Speaker, I ask the question why is it that persons in the Youth Program today are having problems receiving stipend after working for months? And why are young people going home after a short period in the program when they were promised during the elections that they will find permanent jobs and that

all the problems of the past will be solved.

Why is it that senior officers and members of staff of the Youth Department are encouraged and are allowed to attend and vote at conventions of the NDC and other political activities when the Minister promised that his staff will be Non Partisan and he actually fired members of staff because of their perceived affiliation to the New National Party.

## **AGRICULTURE AND FISHERIES**

Mr. Speaker, some members of this administration cannot speak about agriculture without taking credit for the increase in agricultural production, particularly nutmeg and cocoa.

Mr. Speaker, what they should also be saying to the nation is what they did, what policy measures they have put in place and what specific measures they have taken to impact on the production of these crops.

Mr. Speaker, everyone knows that most tree crops, especially nutmeg and cocoa, do not mature overnight. The people of the country also know that many of the trees which fell during the hurricanes, soon sprung up, partly as a result of the NNP financing of field clearance operations.

These clearance operations were accompanied by replanting and farm road rehabilitation.

So for a Government to take credit for increased production of nutmegs and cocoa after only three years in office is nothing short of ludicrous. Mr Speaker, that shows that they are on a credit search-a search for performance credit- and that they will take acclaim for anything and everything, just the same way they took credit for the minor reduction in gasoline and cooking gas prices in late 2008. Shortly afterwards, prices shot up again and they refused to be associated with that. They are really on a credit search. Continuance of this credit search approach to governance will leave them with no credibility whatsoever.

This is a government that stands back, lets things happen, takes credit if there is success and tries to avoid all blame. In the recent dispute between the Grenada Cooperative Nutmeg Association and the farmers, the Government blamed GCNA for the course of action that led to the problem. They seemed to forget that they have three members on the Board of Directors, a mechanism that keeps them in contact and provides the avenue for them to provide leadership through the Minister. Yet if the sector registers an improvement, not because of but despite them, the government is the first to take credit.

Mr. Speaker, This NDC Government boasts of the increased contribution of agriculture to the economy with its 8.1% growth. However, True to form, Mr. Speaker, the member never said what portion of the increase was due to the increase in world market prices and what proportion was due to increased production. Neither does he indicate that notwithstanding the tripling of exports, production and sales were way below pre-Ivan levels. The truth of the matter is, had the policies of the New National Party's administration been followed, the contribution of agriculture to GDP would have been at least fourfold what it is today. Policies as the Irrigation Project under which farmers could access equipment that enabled them to produce year round; the programme which made fertilizer available at strategic locations and at reasonable prices, the farmers' loan scheme that allowed them to increase production of crops and livestock; the fisherman fund – facilitating improved catch for export and local consumption and a relentless search for markets that saw Grenada exporting bananas to Trinidad. The NDC administration destroyed these programmes and overnight transformed Grenada from an exporter into an importer of the same crop to the detriment, pain and suffering of our farmers and consuming public.

Mr. Speaker, the unnecessary and long drawn-out reviewing of the many hotel projects which the Government met on stream resulted in the investors abandoning these projects. This has worked to the

disadvantage of many Grenadians, including farmers, who could have had additional markets for their produce.

Mr. Speaker, every project agreement included conditions not only for purchasing, but also for providing the resources to develop farms to ensure that they produce the type, quality, and quantity of crops that the hotels and hospitality sector in general require. But these investments were shunned Mr. Speaker, some of the investors have to neighbouring bringing with them all the advantages that would have come to Grenada.

Mr. Speaker, this government after removing the fisherman fund has not assisted the fishermen with solving the problem of the lack of bait. This is negatively affecting fishermen. Their livelihood is at risk...

## **TOURISM**

Mr. Speaker, it has long been said that tourism is the engine of growth for our economy. In these challenging economic times, this statement is even more relevant.

Both sides of the aisle recognise that tourism is the largest earner of foreign exchange for Grenada. That it is the largest and fastest growing sector in the world. We all acknowledge that Grenada, Carriacou and Petite Martinique have been blessed with some of the finest natural and cultural assets setting it aside from most other destinations. We all agree that these assets must be harnessed to realise the full potential of this critical sector.

The difference Mr. Speaker is that under this administration's tenure, the tourism sector has languished. Yes, we have been impacted by global economic conditions, however the importance of the sector's role in sustaining our economy has been consistently ignored by this Government, which continues to pay little more than lip service to tourism.

Although Grenada has seen an increase in the number of stay over arrivals in 2011, if you include cruise ship passengers, the total number of arrivals to the destination remains on the decline. Also those who do visit, are spending less. The Honourable Minister for Finance stated that Grenada is now out of recession and on the road to recovery and growth. However, in the same breath, he states that Grenada's dependence on the external markets of Europe and North America remain economically constrained and there is the likelihood that these regions will fall back into recession. Mr. Speaker, please explain to me how Grenada's economic outlook all of a sudden looks so bright when those very source markets that Grenada's tourism industry and economy as a whole, is so dependant on, continue to struggle. The Honourable Minister continues to be very selective in his facts and arguments - once again weaving a web of deception offering the people of Grenada, Carriacou and Petite Martinique nothing more than false hope.

This reduction in visitors to our shores has impacted us significantly - speak to our hoteliers, speak to our vendors, speak to our taxi drivers, speak to any of our tourism service providers, and they will tell you just how difficult it is right now. But also speak to our farmers, our fishermen our construction workers, our shop-keepers, our manufactures and all of the other stakeholders who indirectly support Grenada's tourism industry. They too will tell you of their difficulties.

We continue to see budget estimates read, promising levels of investment that each year, which the Government fails to achieve in reality. In this year's budget, the Government tells us that its estimated capital expenditure for 2012 will be \$31.13M, an increase on last year's estimate. However, according to their numbers, last year they failed to achieve their estimate by over \$7M with significant shortfalls in each of the previous years. Mr. Speaker, with this consistent failure to meet their basic financial commitments, are we to believe that this year will be any different?

We have seen significant and consistent shortfalls in the financial contributions to the Board of Tourism, the primary agency responsible for the promotion of the destination and the development of our sites and attractions. In 2011, the Government presented a budget estimate of \$17M but their actual spend was only \$10.55M. This once again highlights the chasm between what the Government continues to promise and what it delivers in reality – failed promise. It is no wonder our tourism industry continues to underperform.

We note financial support for airlift of \$8.2M in 2012. It is important to point out that this is a reduction of \$1.2M on last years estimate. Mr. Speaker, I have a number of questions for the Honourable Minister, firstly, are these sums sufficient to meet our obligations, not only for the year ahead, but also the millions of dollars outstanding to many of the airlines from previous years? I believe the answer to this question is no.

We have already seen the loss of our only flight from Germany, Condor Airways, and we now hear of the loss of the Monarch flight from the United Kingdom. The reason for the loss of these airlines is this Government's inability to manage its financial commitments. If airlift is the lifeblood of our tourism industry, then why is this Government failing to do what it needs to do to ensure that the airlines continue to service our destination? Mr. Speaker, who next? Are we to lose further flights to Grenada because of the Government's continued failure to provide adequate airlift support?

The final question I have on this matter Mr. Speaker is how does the Honourable Minister expect to phase out these airline contributions as stated in his presentation, when his Government continues to fail to provide adequate funds to effectively market the destination? If demand for the destination is not generated through effective promotion, it should be of no surprise that flights are not arriving full. Based on the arrangements with some of these airlines, the Government of Grenada has to pay for each empty seat. The Government needs to better understand the dynamics of this critical industry and develop the necessary policies to support it.

There is talk of the restructuring of the Board of Tourism and the development of new tourism strategic plan. Quoting the words of the Honourable Minister, there is the need "to evolve a highly respected, effective, adequately financed National Tourism Organization driven by an efficient motivated and professional staff".

The Opposition is in full support of these developments, but the questions we have are;  
Is this just going to be more talk?

Will there be the real political will to make this happen? Will the necessary financial resources required for this transformation be made available?

Based on the government's inability to meet its most basic commitments, its inability to meet its basic funding obligations to the Board of Tourism or to the Airlift Committee, can we honestly expect the Government to deliver on this promise?

The Honorable Minister stated in his presentation that Grenada is to have its first international 5-star resort at Mt. Hartman/Hog Island. I was expecting him to elaborate on this. His statement has been left hanging. No doubt further details will be revealed in due course.

This may be a good thing, but then again, it may just be another one of this Government's many promises and announcements that fail to materialize. Once again time will tell. A project of this nature is complex and has a bearing on the people of Grenada. I hope that the Government will demonstrate the accountability, transparency and good governance it has so far failed to practice, when it is ready to make a proper announcement.

Mr. Speaker, we will wait and see.

Finally, the Honorable Minister speaks of public/private partnership and the role of the office of Private Sector Development as match makers between potential investors and developers. To date Mr. Speaker, after four years in government, we are yet to see the fruits of their labor. Why wait until now, so far into their administration, to start focusing on attracting new investors after expending so much energy chasing away many of the investors attracted to Grenada during the NNP's administration. All I see are more empty promises and a failure to deliver on anything meaningful.

## **INFRASTRUCTURE**

Mr. Speaker, the construction sector, which is one of the main sources of employment for Grenadian men and women, continued its precipitous decline in 2011. Unfortunately for all concerned, this negative trend is expected to continue in 2012. Mr. Speaker it should be obvious to all, including members on the other side, that the health of the construction industry has a lot to do with the health of the economy in general and with the policies and actions of the Government. Primarily it is the duty of the Government to make the decisions and take the measures required to breathe new life into such an important industry.

Mr. Speaker, implementation of the Grenville Market Project has turned out to be a fiasco and the Government tried to blame all and sundry, including the financing institution - the Caribbean Development Bank for the problems encountered. The result, Mr. Speaker, is a three and a half year delay in the commencement of the project and the introduction of chaos and confusion with stoppages to correct their many errors. The chequered rate of progress will continue during 2012 as reflected by the paltry sum budgeted.

Mr. Speaker, just as it did with regard to the citizenship initiative, which it called the selling of passports, the NDC group, condemned the debushing programme vehemently while in opposition. It seems like these days it is busy back tracking. It is now actively considering a citizenship initiative of its own. It is also placing more focus on the debushing programme. But the sad thing about it all Mr. Speaker is that contractors, construction workers, salesmen and women, store clerks and others are now competing with the regular debushing workers for work. Anybody would know, Mr. Speaker, that when this happens, that when regular workers who are at the bottom of the pay-scale have to compete with new entrants simply because things are so dead, a state of crisis exists. It means that the economy has basically come to a halt and people are willing to do anything to feed their children and to survive.

Mr. Speaker, therefore the boast about putting 18,773 people (18% of the population) to work on the debushing programme tells a sad story and it's an indication of the depths to which our country has fallen. No wonder our Caribbean is citing Grenada as an example of sharp economic decline. It seems as though this Government has the recipe for the promotion of persistent poverty. Mr. Speaker, an NNP Government will focus on getting all sectors working with a view to ensuring maximum national output, while ensuring that safety net programmes like the debushing programme are not neglected.

Mr. Speaker, the same practice of victimization, nepotism and lack of vision affects road maintenance whether it be asphalt or concrete roads, It is clear for all to see that our roads of all types have deteriorated badly over the past three and a half to four years. Even our main roads, like the airport road, parts of the western main road, the Grand Etang road from St. George's town through Bealieu to Grenville, are now in a serious state of disrepair. This neglect will no doubt be very costly to the taxpayers of this country

Our Secondary and farm roads are also in very bad condition. Even minor road repair is hampered by the unavailability of bitumen. And other road repair materials.

Mr. Speaker, the infrastructure built by the NNP administration is left to deteriorate to the detriment of all Grenadians. But this is beyond politics. Our road network and other public infrastructure are national

assets that we need to preserve. And that is the responsibility of every Government. But with an allocation of only.....for 2012 and with the problems within the Ministry of Works, very little can be done.

Mr. Speaker, the NDC administration will go down in history as being the only government, which wilfully put hundreds of workers out of a job.

All of Grenada, Carriacou and Petite Martinique wait with baited breath to see what this Government will be able to do.

## **ENERGY**

Mr. Speaker, the cost of energy is one of the most critical factor affecting the economy and businesses in Grenada. The message we are getting from the private sector and home owners is that the price of electricity is way too high. Some businessmen-hoteliers and manufacturers for example- are saying, unless the cost of electricity is reduced, businesses will close, the fledgling manufacturing industry will be wiped out, and the hotel industry will be reduced to ruins. The conditions of the sale of this vital utility in 1994 by the NDC government are haunting us today, namely the 74 year monopoly, and the removal of the then existing regulatory framework for the electricity sector.

Mr. Speaker the NNP is of the view that such issues must be addressed urgently. WE are of the view that open competition is the best approach. We were fully involved in the successful OECS initiative to liberalize public utilities and promote open competition, which resulted in the liberalization of the telecommunications sector. We are fully convinced that this initiative and other relevant steps need to be followed up in the long term interest of our economy and our people, thereby increasing the standard of living of the people of the sub region.

Mr. Speaker, first steps towards the liberalization of the electricity sector have already been taken. We urge our Government to take an active part in this process.

## **LAW AND ORDER**

Mr. Speaker, even the administration of justice and the maintenance of law and order in this country is subject to interference by this Government. This government has, for example, decided to drop court very strong court cases involving its very strong supporters without letting the wheels of justice take its course.

The word coming from the police is that the force is in a demoralized state. Police officers complain about constant political interference. They speak about the Office of the Prime Minister giving instructions to the Police Commissioner; they say that the force is neglected even though much is expected from its members. They say that the operations of the Force are hampered by, among other things, lack of vehicle parts, difficulties in obtaining uniforms, including shoes and other shortages. They say that when they complain they are looked upon with suspicion by the authorities.

Mr. Speaker, the force is also used to take political vengeance on opponents of the Government or persons it does not like. Take the case of Hugh Wildman. Why was he arrested, kept in detention and then released without any charges. Other cases of the security forces being used to harass people include the seizing of the passport of the Leader of the Opposition and the harassment of his wife, including the seizing of her passport.

Because of the failure of the Government to honour its financial obligations related to the Police, businesses are not crediting the Police Force. This further hampers their operations. In addition they are concerned about other things such as many things including the inability to get parts for the vehicles that they use to do their work.

Police officers have indicated that in some departments, the ASP is put in charge while the superintendent is forced to assist. Allowances are distributed accordingly.

Like other servants of the public, police officers are of the view that they are not listened to and their needs are not being given sufficient attention.

## **FISCAL AND MACRO ECONOMIC ANALYSIS**

An examination of the current account balances in the budget confirms the view that we are in the midst of a dangerous sea without compass.

Sir, the current account was in deficit in 2011 in the amount of EC \$10.7 Million. This is according to the Budget document Sir, but in reality the deficit was far greater, because of the adjustment in the "over-draft" facility would provided an additional EC \$40.0 Million of fiscal cover. This amount would need to be added to the historic level of the "over-draft" of EC \$20.0 Million during the NNP terms in Office. In addition to this unpaid claims in the Treasury would need to be taken into account. These two amounts would have amounted to an approximate amount of between EC \$ 70.0 and EC \$80.0 Million, for 2011.

The impact of this is that the "real current account" deficit should be somewhere between EC \$ 80.0 to EC \$ 90.0 Million.

But Mr. Speaker whether one uses the EC \$ 10.7 Million figure to the more appropriate figure of \$80.0 to EC \$90.0 Million, the reality is that this is the largest current account deficit since 2004, since hurricane Ivan.

The second observation Mr. Speaker is that in 2008 when the NDC took Office the current account surplus was EC \$ 50.9 Million; We left them a surplus Mr. Speaker!

In 2009, the Minister of Finance, despite the warnings from the opposition promised to deliver a Current Account surplus of EC \$ 67.6 Million. The actual surplus realized was EC \$ 2.9 Million, according to the Ministry of Finance. We argued convincingly that when the unpaid claims were taken into account, at the time it stood at about EC \$40.0 Million that the "true current account deficit" was EC \$ 40.0 Million.

A surplus of less than EC \$2.9 Million is for all intents and purposes is really irrelevant. Consider this as an "error correction" in the account. Nothing to write home about, save and except it's a matter for great concerns.

The ECCB's figure for the current account for 2009, is a deficit of EC \$14.85 Million. Not the paltry surplus reported by the Government of EC 2.9, but a distinct deficit!

In 2010, we saw the same pattern the Minister of Finance, again in the face of protest from the Opposition committed to a Current account surplus of EC \$ 17.8 Million, when all the indicators were going in the wrong direction. This time without taking "unpaid claims" which stood at EC \$50-odd million, he claimed that the surplus of EC \$3.1 Million was achieved. In reality when one takes the unpaid claims into account the deficit would have been approximately EC \$ 30.0 Million. Not the EC \$ 3.1 reported by the Minister of Finance.

For 2011, the Minister again in the face of warnings from the Opposition, promised the nation a surplus of EC \$ 8.2 Million. His presentation indicates that a deficit of EC \$ 10.2. But again we reiterate that this is grossly understated and the true figure is in the order of EC \$ 70.0 Million to EC \$ 80.0 Million.

Mr. Speaker, since coming to office and presiding over this economy for an entire year, (so we have to

leave out 2008), this Minister of Finance has been unable to manage the finances of this country so as to provide us with a current account surplus.

Mr. Speaker the current account surplus is nothing more than a statement of whether an entity can pay for its operations. When one considers that this is a statement of whether the Government can cover the cost of education, housing, health, justice, law and order, administration costs, this is a very serious indictment of the management of the fiscal affairs of the country.

Mr. Speaker, we are three months into 2012, the unpaid claims exceed EC \$ 60.0 Million and the overdraft lying. The overdraft must be around EC \$50.0 Million. While the Minister of budgeting a surplus of EC \$ 1.5 Million, this will not be realized. Mark my words, the true surplus will be around EC \$ Million 30 + Million is the Minister of Finance is able to adopt some develop some temperance to his instincts.

This outturn on the current accounts arises because of the kind of budget which the Minister of Finance has crafted.

It is a result of the policy choices which he made Mr. Speaker. But the opposition wants to be clear that the tendency to run "real deficits in the current account", year on year, the inability to pay for our operations and our consumption is a dangerous new development.

Mr. Speaker there is a consensus among the international organisations, but particularly the International Monetary Fund (IMF), that the most relevant indicator for assessing the fiscal performance in the presence of a high public debt is "the primary balance".

Mr. Speaker, such a measure of the "primary balance" is presented in the summary page of every single budget that has been presented to this House in the last decade and more.

Compared to the current accounts, the primary balance excludes interest payments from expenditures.

The reason we focus on the primary fiscal balance, rather than the overall fiscal balance is that the primary balance "corresponds more closely to the government's efforts in generating surpluses—and is therefore an indicator of the success of the government's policy stance".

So given that the institutions that the Minister of Finance has developed a new found regard for, have themselves affirmed that we must focus on the primary balance and the opposition concur with the view; and having regard to the fact that he has not yet presented any analysis of the budget, it falls to the Opposition to speak to the issues.

Mr. Speaker, when one examines the Budget, in respect of the primary balance the following alarming facts emerge:

(1) The primary balance of negative EC \$92.2 Million projected for 2012, is worse than the primary balance for every single year since 2003, when we realized a surplus of EC \$ 5.0 Million.

(2) The negative primary balance in 2011 and again projected for 2012, comes after surpluses in 2003, 2004, 2005, and is the worse yet.

(3) What this means Mr. Speaker is that the primary balance is the worse since, even when we include the Ivan and Emily years.

(4) This negative primary balance is not the result of "economic shock" but is a record of the result of the "policy stance by the Government".

(5) This is what the numbers tell us Sir, forget the Minister of Finance's rhetoric, this is a record of dismal failure.

The second reason we are concerned about this Mr. Speaker is because we are very doubtful that the Minister of Finance will be in a position to realize the grants that he intends in the budget. Sir, the Minister of Finance skirts around this issue, but the search for "truth" suggests that he must tell the people of this nation where the "grant" money will come from.

Mr. Speaker in 2011, much of the grant funding came from the Government of Japan and the People's Republic of China, and was attached to projects whose implementation was delayed. These grant funds received in 2011 was not the result of efforts in 2011. In short, Mr. Speaker, our belief is that the deficit on the primary balance will be even larger than the EC \$92.2 Million estimated and potentially we could well be staring at a deficit on the primary balance in the order of EC \$ 123. Million, as we remain unconvinced that the "grant" funding will materialize.

But Mr. Speaker, the Minister of Finance, must be aware of this because this is what the IMF and the World Bank would call downside risks. Not just the risk that the Country wouldn't be able to raise the grants, but also the risks that revenue would fall short of target, or that growth prospects will not be realized.

So Mr. Speaker the primary balance tells a story far different to the one the Minister of Finance has used rhetoric to "pass off" on Friday last. By the way "passing off" Sir is a phenomenon on where a thing appear to be the real article but where it's not. Not unlike that which occurred last Friday. Indeed Mr. Speaker, we heard the Minister of Finance attempt to "pass off" an economy is deep trouble under his watch, as being one that achieved "fiscal sustainability" in the budget of last year.

The opposition challenged this vigorously then Sir, as we shall challenge and unmask that which the Minister of Finance describes as an economy in "recovery mode" today.

Mr. Speaker, in a presentation lasting nearly two and a half hours, the Minister of Finance on at least three or four occasions described the economy as being in "recovery mode". The one that I was most surprised by was when he announced that:

"The recovery had begun, that we were now moving to consolidation and nurturing the nascent recovery".

Not surprising Mr. Speaker, the facts contradict both statements. This fiscal situation is neither stabilized, nor are we on the path to fiscal consolidation.

Mr. Speaker, in anticipation of a perpetuation of this falsehood begun in 2011, the Opposition undertook careful analytical work for Grenada using the IMF's framework for the analysis of fiscal stabilization, through the application of the relevant formulas.

The analysis is quite revealing Mr. Speaker, so I want to share them with the House and the Country as a whole. We computed the weighted average interest rate and used ECCB for the other variables.

We tested the results by comparing them to many of the numbers which the Ministry of Finance presented in the budget and they are consistent, so we know that the framework works well. It is not our framework, it is the IMF's framework.

Considering the boasts by the Minister of Finance, the question to be answered is what is the primary balance that would stabilize the debt in the medium term? That is how "fiscal stabilization" is assessed!

Mr. Speaker this construct is quite simple, the debt that the Country has to service just like any household is the termed the Debt to GDP ratio. It is the debt compared to all the income the Country earns.

Grenadians make this decision every month, when things are hard, if I'm to keep up with the payments what must I cut back on this month. And if I'm to reduce this debt, what amount will I need to pay.

Applying the framework, the primary balance that would cause the debt burden to remain stable (not to grow) in the medium term are as follows:

2008- EC \$ 150 Million

2009-Anomile due to the collapse of the economy where GDP fell by more than 5%;

2010- EC \$ 400.0 Million

2011-EC \$ 311.82 Million.

Mr. Speaker let me assure you that these are positive numbers. It really speaks to a surplus.

How then does this stack up with what the Minister of Finance presented last Friday?

In 2010 the Budgeted "primary balance" was negative EC \$21.3 Million. Applying the framework this should have been approximately positive EC \$ 400.0 Million. So this is a difference of EC \$ 421.3 Million, hardly what the IMF and the World Bank would describe as fiscal stabilization.

In the 2011 Budget the primary Balance was negative E C \$ 51.4 Million. Applying the framework this should have been positive EC \$311.82 Million. This is a difference of EC \$ 363.22 Million.

Mr. Speaker, under this Minister of Finance's watch, for fiscal stabilization to be achieved the "primary balance" will need to be approximately EC \$350.0 Million in 2012. The Document presented to us, in "ink", tells us that it is negative EC \$92.2 Million. That is a difference of EC \$442.2 Million, if there is to be fiscal sustainability.

Mr. Speaker when, one takes the rebasing of the GDP into account for 2011, the primary balance required to stabilize the debt would decline to EC \$305 Million, instead of the EC \$311.0 Million-a small reduction.

But in 2012, given the policy choices by this Government, the primary balance still increases when the re-based GDP is used (New GDP figure) to EC \$350.0 Million for 2012.

Mr. Speaker, the Minister of Finance can go to the peaks of Mount St. Catherine and shout as loudly as he wants the objective facts are that this economic is moving further and further away from fiscal sustainability under his watch, because of the policy choice that he has made.

Mr. Speaker, this is why the IMF had consistently advanced over the last five years and perhaps more:

"That the greatest threat to fiscal sustainability is low growth".

They are referring to a situation that the Minister of Finance of Grenada has not yet come to grips with. But which the opposition fully understands.

This is why if we humour the Minister of Finance and assume that growth slippage of 1% occurs (so the actual growth realized in 2012 is 0.9%) then the Implications for the primary balance is severe. Recall that under the 1.9% scenario the "primary balance" is EC \$ 350.0 Million; while under the 0.9% scenario, the "primary balance" increases to EC \$450.0 Million.

What I would call the leave behind point, Mr. Speaker is that to the extent that the primary balance as outlined in the Budget document is far from the computed value within the IMF framework, Grenada's debt will not be stabilized, and the debt burden will continue to grow Mr. Speaker.

That is what is occurring, when we look at the numbers presented to us Mr Speaker, as situation of an ever increasing debt burden.

Mr. Speaker, but undertaking this kind of analysis allows us to understand that to the extent that we continue to grow the Debt through the infusion of more and more short-term borrowing domestically, either through the Regional Securities Market, or from commercial houses – to the extent that we continue to weight our borrowing in the direction of domestic debt, so too will the interest costs continue to rise and the debt burden will continue to strangle this country.

Sir, I want to be clear that the NDC like many other Caribbean Government did inherited a debt burden, which they convinced us they had all the answers to manage the resources, in terms of people to do so.

The way in which they have sought to manage the debt and the options they have exercised is most distinctly a matter of their choice Mr. Speaker.

We want to turn our attention to the assumptions underlying the revenue estimates, in the Budget.

Even here Mr. Speaker, the Minister of Finance appears to be challenged.

Two submissions by him confirm his predicament. In the preamble of his presentation he makes the point, appropriately so, that the global economic recovery, will leave economic growth at about the same level at it did in 2011. This being about 3.25%! But he makes the additional point that the Euro-Zone is about to re-enter recession, and that the UK and Canada are expected to have growth of between 1.5% and 2.0%.

Since the Minister's own offering indicates that there is co-determination between Grenada and these countries (Euro-zone, US and Canada), we are unclear what the basis for his revenue growth projection.

But so too is the Minister of Finance, since in his document circulated to us prior to the budget the following appears:

Page "xi", paragraph 39, under the Section Recurrent Revenue Forecast:

- "Higher collection are expected from VAT, primarily due to a slight increase in economic activity and increase compliance";
- But in the same paragraph, last sentence "Corporate Income Tax is expected to decline in 2012 mirroring the sluggish nature of economic activity in 2011".

So the dilemma we are left with is whether economic activity will increase slightly, or will economic activity be sluggish (will decline).

Mr. Speaker if our economy will follow those Advanced economies identified by the Minister of Finance, then he must tell us where the growth will come from. It is internally contradictory to tell us that the economy will grow, but corporate income tax will decline, unless the economy is contracting, or unless you have lowered the Corporate Income Tax rate and you haven't told us about it. But all these things cannot be true at the same time. In economics we say that "they do not add up"!

We do not expect tourism revenue to recover and when last I checked agriculture was not contributing to the Corporate Income tax. So outside of customs and VAT compliance where is the increase in revenue going to come from Mr. Speaker? Where is the EC \$ 35.0 Million going to come from?

Mr. Speaker, in an economy that is still adjusting, and where recent checks indicate a record level of foreclosures and forced sales, the expectation of increased revenues from property taxes, property transfer taxes, stamp taxes etc is doubtful.

Compliance at either the Customs or at Inland Revenue Department will not yield the increases forecast in the budget. We sympathize with the objective, but the reasons for the economic drivers to deliver on this expectation are evidently absent.

Mr. Speaker, it is the view of this side that these revenue estimates were developed on a whim!

As a result, as we said last year, these revenues will never be realized.

Let us face it Mr. Speaker, the economy over which this Minister of Finance presides is one that is still contracting.

Our application of the IMF Framework allows us to discern that the overall balance will need to be in the region of EC \$ 200 Million, and not the EC \$ 167 Million, now contained in the budget.

Mr. Speaker an EC \$200 Million dollar deficit in the Overall balance, and that is the Minister of Finance's brand of stabilization and recovery!

This is what he means when he says that we have stabilized the Grenadian economy!

Mr. Speaker the overall balance in 2008 was negative EC \$111.32; the overall balance in 2004 and 2005 was positive EC \$32.92 Million (a surplus) and a deficit of EC \$55.82 Million after Ivan, respectively.

Many commentators would argue that this is the worse budget that we have seen in our post-independence era.

## **GROWTH**

Mr. Speaker, with tourism and construction constituting among the sectors with largest period to period influence on the GDP, and given that we already have a situation in agriculture of too many goods, chasing too little money" (farmers cannot find markets), we have serious reservation about the growth rate around which the budget is premised. Simply put Mr. Speaker, we raise serious questions about the estimate of 1.89%, or 1.9% forecast by the Minister of Finance.

Even so as we seek to decompose this growth, even greater problems emerge.

Mr. Speaker I would like the Minister of Finance to explain to this House how he arrived at the forecast? But here are a few of our concerns:

(a) The estimated growth for tourism in 2011 is rather doubtful. The assumption that visitor expenditure of EC \$289 per visitor is clearly an over-statement in the context of hoteliers discounting rooms by as much as 25%, and also a shifting pattern to regional tourism (Trinidad and Tobago). These estimates are what determine the growth rate for tourism. Add to this the fact that hoteliers now face increased cost of operations and marketing, the net value added by the sector has clearly declined, not increased as the estimate suggest. We therefore challenge the 4.1% growth in tourism.

## EMPLOYMENT

Mr. Speaker the theme for the 2011 budget was "Working Together for Economic Recovery, Job Creation and Social Protection". We were told that the Capital Expenditure projects would generate jobs, and correctly so when a country runs a counter-cyclical fiscal policy this is what is expected.

Rather than providing us with evidence that there has been jobs creation the Minister of Finance, again deceptively provides us with a poor proxy, based on the NIS numbers. Mr. Speaker, we on this side of the House are far less sanguine and in fact we are deeply concerned about the fact that this economy is still destroying jobs at a faster rate than we are creating jobs.

What is more Mr. Speaker is that we are also deeply concerned that the token job creations are low levelled jobs, and that they are only being created through temporary Government Jobs. Ask the contractors, hoteliers, store owners, retail outlets, transport sector, housekeeper, farmers etc. Everybody, Mr. Speaker.

Let me repeat Mr. Speaker, this year the unemployment rate increased by a minimum of 3.5%, on top of the 30% if you believe the Government, and on top of the 40% if you believe the Opposition. Either way the unemployment situation is desperate Mr. Speaker.

This Mr. Speaker is the macro-economy that the Minister of Finance boasted about as recovering in the budget of Friday last.

But I want to address pointedly a blatant untruth propagated by the Minister in his presentation, on the numbers employed in the public sector between 2007 and 2011.

According to the Minister of Finance, the total persons employed in 2007 was 6377. The Budget document for 2008 provides the numbers employed as 5008 (4679 established and 329 un-established);

For 2008, he asserted that this went up to 6729. The Budget Document presides over by the same Minister of Finance records this as 5170, (4841 established and 329 un-established).

For 2009, the budget document 5271 (4942 established and 329 unestablished).

An increase of 101 from 2008 to 2009.

For 2010, the budget document indicates that the 5505 (5179 established and 328 unestablished).

From 2009 to 2010 we get 236.

For 2011, the budget document states that the amount is 5,538 (5210 established and 328 un-established). He states it was 6903.

From 2010 to 2011 it is 31.

So between 2008 and 2011, on the basis of the Budget prepared by the Minister of Finance himself, we have an increase in the numbers of person employed from by 368 persons according to the Minister of Finance own budgets and I have brought the relevant pages with me.

But if I'm to use his number of 6903 in 2011, and comparing it to 2008 we get a difference of 368.

If we use 2009, we get a difference of 236.

So compared to 2008, the Minister of Finance according to his own records has increase the personnel employed by 368 persons.

This is not the first time we have seen this kind of blatant misrepresentation by the Minister of Finance.

Blatant lies, Mr. Speaker.

I'm circulating the numbers here for the House.

On the matter of the increase in personal emolument and wages, it was the "Boss", the Hon. Prime Minister who raised this in a National Address in 2010.

We simply responded to this, which he made that point that the monthly emoluments bill, was EC \$25.0 Million.

In fact in the Budget response of 2011 we spoke pointedly to this matter

We have brought all the budgets with us, Mr. Speaker but what I said then bears repetition:

So that the Minister of Finance does not misquote me:

1. "But I want to place the increase in even sharper context Mr. Speaker (speaking to the increased in wages and salaries). The increase in the wages and salaries bill from EC \$17.0 Million per month, to EC \$ 25.0 Million per month which amounts to approximately EC \$ 95.0 Million per year, exceeded the total capital expenditure spent on education, which included school rehabilitation, free school books and free transportation for students, school feeding programme and other programmes), it also exceeded the amount spent on marketing Grenada as a tourism destination and for airlift. In fact Mr. Speaker, the increase in the annual wages and salaries, exceeds the combined amount spent on capital expenditures for education and tourism.

2. This amount also exceeds the EC \$ 58.9 Million spent on Housing and Community Development, Health care, youth development, agriculture and other areas. This is the effect on the effect in the real economy which we have alluded to. This is the cost of NDC styled public sector corporate welfare on the "real economy".

3. These are the real hard facts about the cost of the flawed economic policy choices entered into willingly by the Government of Prime Minister Thomas, and the Minister of Finance.

4. There can be no escaping this- not the consequence of the global financial and economic crisis at all. All of it, due to the opportunistic decisions of the Minister of Finance, and his commitment not to this country but to a small group of supporters, associates and hangers-on.

5. Every dollar of these bad decisions coming at the heavy expense of ordinary taxpaying Grenadians.

6. This budget is replete with "pork barrel" accommodation for the few special interest persons selected to suck from the breast of this nation. (check pages)

7. So in addition to increasing the number of person on the establishment, the Government has now resorted to the heavy use of the 340 Vote.

8. In psychology, there is a concept of "escalating commitments", this is what we are witnessing here Mr. Speaker, escalating commitments to those close to the administrations.

Mr. Speaker to set the record straight, jobs for the boys an outdated kinder construct. This pattern of reckless behaviour must appropriately be termed "economic injustice", and "economic banditry".

When poor people are made to do without, so that the cabal can live of the fat of the land that is banditry, Mr. Speaker.

Mr. Speaker though you let me remind the minister of Finance that that is the year his Ministry took, nearly the whole budget.

Although the estimates in 2010 was for EC \$23.01 Million, his Ministry alone extended their budget to EC \$37.9 Million Mr. Speaker, the Professional Services tells us an interesting story. The House will recall that the 340 vote was heavily criticized by the NDC in opposition. It is instructive that today the Minister of Finance is using both the 340 and the established category. The use of the 340 Vote is expected to increase by 10% between 2010 and 2011 in the instance of the Ministry of Finance. The Ministry of Foreign Affairs will evidence an increase of 12% between 2010 and 2011; it will increase by 10% for the Ministry of Health. In the case of the Ministry of Education there will be a 77% increase in the 340 Vote between 2010 and 2011.

Mr. Speaker in every single instance, for the last year of the NNP administration the allocations for each Ministry, when we were heavily criticized were at least 10% less than the allocations under this administration-and then we were heavily criticized.

In the case of the Ministry of Carriacou and Petite Martinique Affairs, in the last year of the administration the 340 Vote was EC \$70,675. According to the Estimates of Revenue and Expenditure for 2011, the 340 Vote will be EC \$2,203,000. "

My Speaker, since then the Minister of Finance has spread the 340 Vote between 340, 341 and 343. So that it is not longer easy to discern that the VOTE 340 is increasing without doing a lot of computational work.

Now he wishes to compare the reduced, stripped down Vote 340, of 2011 and 2012, with the holistic, all-inclusive Vote 340 of the NNP terms.

Mr. Speaker tell him "don't try dat".

Mr. Speaker tell him that is "best he do go dey".

Deceitful, Mr. Speaker.

It is that kind of deceit that has sown the seeds of discord in that party.

Mr. Speaker, it is unacceptable that we should have a budget presented to us in as shabby a manner as the Estimates of Revenue and Expenditure 2012, particularly after a two and a half month delay.

It is as though the Minister of Finance was caught unaware. Mr. Speaker this is a woefully incomplete document as the usual summaries which includes a clear statement on "how the budget deficit" will be financed is missing. (Important)

As an old professor of statistics, left up to me I would return this document with the notation "please complete" and possibly with some question marks.

Accordingly, the usual transparency with which successive administrations have presented the budget has regrettably been broken this year for the first time; and, this represents a particularly dangerous

development for a fledgling democracy.

Why is this Mr. Speaker? Why must we spend nights and nights delving through reams and reams of paper to find simple answers to question on important aspects of the "people's financial affairs".

So Mr Speaker, we had to pour through the document to understand what this statement of policy is intended to say about the deficit and financing the deficit. First we had to try and understand what the financing gap was, since it is not provided in the document.

My Speaker the budget proposes an overall deficit of EC \$167.2 Million, in a rather unorthodox manner the manner in which the deficit will be financed is not presented in the budget. So we are left to wonder precisely how this financing gap will be filled. We are even more concerned by the fact that while the budget makes preparations for the payment of principal on the debt, there appears to be no explicit providing in the budget for the actual payment of the principal of EC \$330.5 Million. (SALE OF PASSPORT)

"The NDC's Hopes and Challenges"

Despite the dire fiscal situation, NDC has inherited a growing, recovering economy—a bright spot in Grenada's credit story. Although uneven, Grenada's real GDP growth has averaged 4.3% during the past three years (since Hurricane Ivan hit the island in 2004). Real GDP growth of 4.3% in 2007 reflected continuing gains in tourism (increases of 9% in stay-overs, 3% in total arrivals, and 30% in visitors' expenditures), transportation, electricity, water, and manufacturing. We expect that economic growth will hover at about 3.5% of GDP in the next few years".

Mr, Standard's and Poor's, the same rating agency that the Minister quotes are the one that analysed the Grenada economy in this manner, immediately before we left Office.

And then Mr. Speaker, then the NDC happened?

## **CLOSING STATEMENT**

Mr Speaker,

Before I end my contribution to this debate, I wish to take the opportunity to say to all the people of Grenada, Carriacou and Petite Martinique how grateful I am for the opportunity to serve them in the various capacities and offices to which they have so graciously appointed me.

Mr. Speaker, I wish to also say to all the people- friends, supporters and even detractors- that this journey of service to the people has not been the joy ride some may think it to be. The Journey has, indeed, been very difficult. It required a tremendous amount of personal sacrifice, endurance and patience. But what keeps me going, Mr. Speaker, is the joy of seeing the people of Grenada, Carriacou and Petite Martinique overcome the shackles of poverty and underdevelopment and move towards the high ground of prosperity and sustained development. Nothing is more pleasing to me than to see people overcome difficulties and make progress.

Mr. Speaker, in spite of the accusations, the assaults, the attacks on my personal and professional integrity, and the questioning of my commitment, I remain determined to serve the people of this country For I am assured, Mr Speaker, that a wide cross- section of the Grenadian population sincerely believe that my party and I represent their aspirations and their interests. This is an indisputable fact that some of my friends on the other side would readily acknowledge, if they are honest enough.

Mr. Speaker, as many would recall I came back to this country in 1984 after giving up very senior

positions in academic institutions and foregoing very lucrative consultancies with the Government of the United States of America as well as international institutions, like the World Bank and the IMF. My basic motivation was to contribute towards a better life for my people and not for personal gain, for all honest people would accept that I did not come back home to make money.

And looking back over the years, Mr. Speaker, I do not regret, I know without a shadow of a doubt that because of this sacrifice, I have been able to make a significant contribution to the development of my country and its people.

Mr. Speaker, as a human being I will have shortcomings, And because I acknowledge that I can more readily understand and appreciate the actions of others, even those who do me wrong or hate me.

But I say to my detractors I have forgiven you even as I seek your forgiveness for any wrong that I may have done to you. As human beings in very small country it will hurt us all if we choose to live in a state of war with each other. If we choose to live like that we will all be destroyed in the end.

And so Mr. Speaker, as I close I admonish us all to follow the path which leads to peace and harmony, and development. If we do our children and Grandchildren will be proud of us. If we do not, we will condemn to lives of disharmony and misery. In the interest of people MAY WE ALL UNITE.

I THANK YOU, MR, SPEAKER AND WISH ALL THE MEMBERS OF THIS HONOURABLE HOUSE THE VERY BEST.