



*“Confronting
our
Challenges...
Securing
our Future”*

*Budget
Debate*
2009-2010

Presented by

HON. BRUCE GOLDING
Prime Minister of Jamaica
MEMBER OF PARLIAMENT - WEST KINGSTON

HOUSES OF PARLIAMENT, GORDON HOUSE MAY 5, 2009

**PRESENTATION BY THE
HON. BRUCE GOLDING. M.P
PRIME MINISTER OF JAMAICA
BUDGET PRESENTATION 2009/10**

May 5,2009

Table Of Contents

The Challenging Global Context	4
The Unavoidable Hardships	5
Our Weak Immune System	6
The Circumstances In Which The Budget Is Framed	8
The Tax Measures	8
Tax On Books And Computers	9
No Pleasure In Raising Taxes	9
Improving The Tax System	10
Beyond The Crisis	10
Our Immediate And Urgent Challenges	11
Medium Term Socio-Economic Policy Framework	11
Reduced Borrowing And Fiscal Containment	13
Public Sector Employment	14
Managing Expenditures	15
Private Sector Partnership In Public Sector Investment	15
The IMF	15
Partnership For Transformation	16
Social Partnership	17
Reviewing Incentives	17
Planning And Development Approvals	18
Small And Medium Enterprises	18
Access To Financing	18
Retail Lending	19
Establishment Of Credit Bureau	20
Venture Capital Financing	20
Credit Enhancement Facility	21
Microenterprises	21

Young Entrepreneurs Programme	22
Agriculture	23
Energy	23
Competitiveness Enhancement	26
Education And Training	27
Foreign Affairs	29
Water	31
Road Improvement	31
Tourism	31
NHT	32
Mortgage Distress	33
Squatter Settlements	33
Land Titling	35
Social Safety Net	35
Nutrition	35
NIS And The Consolidation Of Statutory Deductions	36
Health	37
H1N1 Virus	37
Justice	38
Crime	39
Taking Responsibility	41

PRESENTATION BY THE
HON. BRUCE GOLDING. M.P
PRIME MINISTER OF JAMAICA
BUDGET PRESENTATION 2009/10

The challenging global context

This debate is taking place in the context of the worst global economic downturn since the Great Depression 80 years ago. It is frequently referred to as a “crisis” and that is exactly what it is. Economies that had come to regard robust economic growth as a natural way of life have suddenly found themselves slipping and sliding.

Exchange rates in many countries with much stronger currencies than our own have depreciated even more than our own.

In the United States more than 5 million people have lost their jobs. That is the equivalent of 42,000 in Jamaica. The economy of Ireland, once considered a model for rapid economic growth, is in virtual freefall and the government has had to table its second budget since the start of this year with further cuts in expenditure.

There are some who do not understand what this has to do with us. There are some who believe that we can shut our windows so tight that the rain won't blow in on us. They are mistaken!

When the demand for our goods falls, the producers of those goods suffer, workers are laid off and businesses may even have to close. When tourists cannot afford to come to Jamaica, hotel rooms remain empty and hotel workers are sent home. When automobile plants are shut down and housing construction grinds to a halt, we have nowhere to ship our alumina – our

plants have to be closed. When foreign investment disappears, we lose the jobs that it would have created. When Jamaicans abroad are no longer able to send home money, their relatives suffer and the Jamaican economy suffers.

This crisis has been like a blow to our belly and the pain is spreading throughout the body in ways that we feel, but don't always recognize.

The unavoidable hardships

We are going through tough times and I know it is hard on the Jamaican people. It is hard on the workers when they cannot get their wage increases.

It is hard on the worker who trembles every Friday when he is not sure whether he will be handed a pink slip with his pay slip. It is hard on the civil servant, nurse, teacher or policeman when they can't get the wage increase that was to have been given to them.

It is hard on our young people who leave school with little chance of finding a job. It is hard on the pensioners who have to live off the meagre pensions they get.

It is hard on the poor who have to scrape and scrounge and hustle, not knowing where the next meal is coming from or how the hungry bellies of their children will be filled.

It is no comfort to them to be told we are in a crisis. But we are in a crisis!

We have faced many crises before on many fronts but we have never had to face so many crises on so many fronts all at the same time. But we cannot and must not wallow in self pity. What we must seek is not to console ourselves but to find the strength to bear what we have to bear and the courage and unity of purpose to fight our way through these rough seas.

Our weak immune system

Saving for a rainy day is an adage that is as pertinent to a nation as it is for you or me. Some countries have done that. We did not.

Some countries have maintained low debt levels and accumulated huge fiscal surpluses. We did not.

Some countries have been able to reduce taxes, provide massive financial assistance and incentives to businesses, expand welfare programmes and launch massive public works programmes to re-energize their economies. We cannot.

The global crisis caught us with our pants down. We didn't drop our pants only since September 2007! Our pants have been at our ankles for decades! We were in a crisis long before this crisis!

Only 5 times since 1970 did the Jamaican economy grow by more than 3%. It recorded negative growth 14 times and less than 2% growth 14 times. We can't blame that on this global crisis. When the world economy was growing we were limping. When the economies of developing countries were expanding even faster than the rest of the world, ours was crawling behind the entire world. In the last four decades the rest of Caricom has grown cumulatively by 173% while the Jamaican economy has grown by less than 25%, leaving us with the fourth lowest per capita income in the region.

Gross Domestic Product (by decades)

	1971- 1980	1981- 1990	1991- 2000	2001- 2008
World	42%	35%	31%	26%
Developed Countries	38%	34%	28%	17%
Developing Countries	70%	42%	60%	54%
Former Centrally Planned	39%	26%	81%	57%

Economies				
CARICOM (excluding Jamaica)	52%	10%	26%	30%
Jamaica	-8%%	19%	3%	11%

We have failed to cross that Jordan from the halcyon days when we maintained a protected market, undisturbed by our own inefficiencies, oblivious of the fact that we were being left behind by a world that was being transformed by rapidly changing technology and rapidly expanding trade. We were awakened from our slumber in 1995 when the WTO rules set in. Globalization had arrived. Dazed as we were, we failed to grasp the opportunities that it offered. Instead, we allowed ourselves to fall victim to its risks.

Since that time, our imports have grown 2 ½ times as fast as our exports. Within Caricom, our imports have grown 73 times as fast as our exports. As robust as our tourism performance has been it has not been able to fill the gap.

Selected Balance of Payments Data

	1994	2008	Change
Imports	2,177.2	8,548.5	293%
Exports	1,219.5	2,703.3	122%
Balance of Trade	- 957.7	- 5,845.2	510%
Caricom Imports	149.1	1,682.6	1028%
Caricom Exports	58.0	66.1	14%
Caricom Balance of	-	-	1674%

Trade	91.1	1,616.5	
Tourism Earnings	854.0	1,715.4	100%

The world is beating the pants off us. We have sustained our meagre standard of living by borrowing and borrowing and relying on the remittances that hardworking Jamaicans abroad send home. We are running out of “borrowees” and the Jamaicans abroad are now facing their own difficulties. As Warren Buffet declared, as the Minister of Finance reminded us, you will never know who is swimming naked until the tide goes out. The tide has gone out and we have been left stark naked.

The circumstances in which the budget is framed

This is the backdrop against which the Budget was formulated. Those pressures will continue to be felt this year as the full brunt of the recession bears down on us. The effects of the bauxite fallout did not come last year. The full effects on our employment and revenues will be felt this year.

Yet, we still have to service our debt and that takes up 57 cents out of every dollar. We have had to contain the deficit in order to prevent interest rates from rising again, putting more pressure on the budget and eating away more of the 43 cents we are left with. We have had to cut expenditure where we can and maintain it where we must.

The tax measures

We had no choice. We had to raise taxes.

In structuring that tax package we have been guided by the recommendations of the Tax Policy Review Committee established in 2003 by the previous government. We have not gone as far as the Committee recommended. They recommended that everything should be subject to GCT. We have not gone that far.

They recommended that GCT be charged on water, electricity, transportation, real estate transactions and construction. We didn't go that far. They recommended that property tax be doubled. We didn't go that far. They recommended that GCT be imposed on gas. Instead, we imposed a fixed rate of \$8.75 because the amount of GCT would go up every time the price of gas goes up.

The House will wish to note that among the persons who sat on that Committee, made the recommendations and signed the report is the current Opposition Spokesman on Industry and Commerce.

Tax on books and computers

There have been criticisms of the tax imposed on books and computers although we have exempted those required for educational purposes. We have listened carefully to the arguments and we have heard. But we can't go all the way. As I have pointed out, the vast majority of computers that are sold are not used for educational purposes but for businesses or other personal use. We could not entertain an argument, for example, that the tax on motor vehicles should be removed because they are used to transport children to school. They are used for many other things. We have heard the cries and tomorrow when the Minister of Finance closes the debate he will address the issue.

I make one further comment on the tax package. It was designed to raise \$18 billion in net additional revenue. In 1993 the then government implemented a tax package of \$13 billion because it felt it had no choice. At today's values, that would be the equivalent of \$98 billion in new taxes. We stopped at \$18 billion. We didn't go that far.

No pleasure in raising taxes

No one likes to raise taxes especially when people are already under so much pressure. President Hugo Chavez, a staunch defender of the poor, doesn't like to raise taxes either but he had to increase his GCT from 9% to 12% last

month. Ireland which has prided itself as a low-tax economy had to double its income tax rates and lower, not increase, its tax threshold. We could never go that far. But as hard as it is, we had no choice.

Improving the tax system

It has long been recognized that our tax system is inefficient, both in its structure and in its administration. We rely too heavily on taxing incomes and in taxing incomes we rely too heavily on the PAYE workers who account for most of the personal income taxes collected. The need has long been recognized to shift more of the burden from direct to indirect taxes to make the tax system more efficient, equitable and simpler to administer. The introduction of the GCT in 1992 was an important step in that direction. The tax measures introduced this year are in keeping with that principle while still sheltering from tax a vast list of items which make up a large part of the expenditure of the poor.

I ask the Jamaican people to understand what we are going through, what the entire world is going through and what we have had to do.

Beyond the crisis

I have repeatedly urged the nation that we need to focus not just on the immediate crisis that we face but the challenges that lie beyond. It is time for a reality check.

We delude ourselves if we think that after the recession has ended the world will return to what it was before where global demand was fuelled by subprime loans and where artificial wealth sustained gargantuan consumption levels.

Even after the recession has ended, banks are going to be more cautious in their lending, demanding more collateral and greater ability to repay, borrowers are going to be less able to borrow and more timid in their borrowing, consumers more careful in their spending and investors more contemplative in their investments. It is not going to be business as usual. It's going to be a new

kind of business in which the competition for markets is going to be even more difficult. If we don't become efficient and competitive so that we can penetrate those tough markets, we are going to find it difficult to survive.

Our immediate and urgent challenges

It was White House Chief of Staff, Rahm Emanuel, who declared that you never want a serious crisis to go to waste. We must turn this crisis into a stepping stone, not a stumbling block. We must be desirable and steadfast in our approach.

There are binding constraints to achieving efficiency and competitiveness that must be loosened. There is capacity that must be developed and put to use. There are creative energies among our people that must be unleashed and channelled.

We have done enough studies and analyses. We have enough empirical data. We know what needs to be done. What we must now do is to summon the will and find the strength of purpose to get it done. We must act now lest we condemn ourselves and our children to remain forever floundering around the margins of poverty.

Medium Term Socio-Economic Policy Framework

I have tabled today the National Development Plan for Jamaica (Vision 2030) and the Medium Term Socio-Economic Policy Framework. It sets out a range of policy actions to get the country on the path of sustained growth and prosperity. It is a roadmap that enjoys bi-partisan support. It was initiated during the previous administration and completed under our watch. As Leader of the Opposition I was consulted when it was being conceptualized. I pledged my full support then; I reaffirm that commitment today. It does not belong to the Government and Opposition alone. It belongs to the people of Jamaica. It was developed through a process of consultation with critical stakeholders and members of the public. All Jamaica must take ownership of it. It is rooted in a

vision that we can be what we want to be, that we don't have to be forever looking at other countries of the world with envy in our eyes. We can become the envy of the world.

The Medium Term Socio-Economic Policy Framework maps out the first leg of the journey. It identifies 6 strategic objectives:

- The security and safety of our people
- A stable macro-economy
- A strong economic infrastructure
- Energy security and efficiency
- Achievement-driven education and training
- Effective governance

It identifies 5 supporting policy targets:

- A business-friendly environment
- Globally competitive industries
- Hazard risk management and climate change adaptation
- Effective social protection
- Cultural transformation

It is a 3-year programme designed to lay the foundation for transforming Jamaica into the place of choice to live, work, raise families and do business. We must start now and we must build on that foundation beyond 2012 to achieve that overarching goal by 2030.

Time will not allow me to discuss in detail the several elements of the programme but there are some specific issues on which I wish to focus.

Reduced borrowing and fiscal containment

We cannot continue borrowing and borrowing. We will get to a stage where debt service payments will wipe out everything else and the entire budget can be printed on a few sheets of paper.

It is not just that the debt is preventing us from spending money on critical public services and investment. It is crowding out private investment as well. It reduces the amount of credit available to the private sector. It drives up interest rates, discourages investments that cannot manage high interest rates and makes uncompetitive those businesses that have no alternative but to borrow.

It makes banks unenthusiastic about lending for real investment. There are bankers today who hardly know what it is like to examine a business proposal, do a serious risk analysis and work with the borrower to see him through to success. They spend much of their time counting the deposits they take in, calculating their returns on the last issue of government paper and awaiting the next one. They are not too keen on taking on the burden of assessing a loan application, modelling projections and validating market analysis. For many, banking means high returns and low risks.

Money is something that cannot remain idle. It has to find work to do. It looks for the easiest work that carries the least risk – government paper. If less government paper is available, that money has to find meaningful work. Investors won't have to look for money. Money will look for them.

Curtailing government borrowing cannot be done instantly. Government has bills to pay and debt to service. Furthermore, it would send the financial system into shock, so acculturated it is to government paper. Like a deep sea diver ascending to the surface, we will have to proceed gradually to avoid decompression. We can't stay at these depths for much longer or else we will run out of air. To the surface we must return.

We will proceed carefully but steadily. The fiscal tightening necessitated by the global crisis cannot be abandoned after the crisis has subsided. There can be no return to profligacy.

Public sector employment

The public sector wage bill which has more than doubled in the last 6 years will have to be contained. Future wage increases will have to be contained within that containment. There are severe shortages in critical areas such as the health services where 573 critical posts remain unfilled. Space will have to be made for them. We have a programme to encourage the training of more people to fill these posts and I will speak more about that later

The total number of persons employed in the public sector now stands at 114,792: Central Government (43,242), teachers (24,644) and other government agencies (46,906). Of the 43,242 persons in the central government, 4,820 are not attached to any post. We have no desire or intention to make workers redundant. We know the hardships that they would bear. But we are not going to be able to pay public sector workers the decent salaries they deserve unless we contain the size of the public sector and reduce it over time. Therefore, we must find another way. Non-critical vacancies that arise will not be filled. Where possible, posts will be retired when the holders of the posts retire or, where other posts can be retired to allow for promotion. We are going to redeploy excess staff to other areas where shortages exist.

We have 202 government entities (statutory bodies, government-owned companies, etc.). Many of them are non-functional. Some are doing the same work that others are supposed to do. We have identified 65 of these entities which are to be wound up. 13 have already been done. We are taking steps to wind up the others.

Managing expenditures

We are identifying other ways of cutting costs. I have instructed public sector managers to manage their expenditure and cut costs wherever possible. I will meet with them at the end of each quarter to evaluate how well they are doing.

I give one example. There are government agencies occupying high cost rented office space while many government buildings remain empty. In the Corporate Area alone, we have 269,000 square feet of government-owned office space empty and locked up while we are renting 403,000 square feet of privately owned office space in New Kingston and elsewhere at an annual cost of \$217 million. We will have to find the money to refurbish our own buildings and once that is done, we are going to move some of these agencies back into our own buildings. The savings will not eliminate the deficit but a dollar saved is a dollar earned and a dollar of deficit reduced.

Private sector partnership in public sector investment

Tightening expenditure will limit the fiscal space available for much needed public sector investment. We are developing ways to enter into partnership with the private sector to undertake some of these investments, investing the money they would otherwise have invested in government paper. For example, the Minister of Education has come up with a novel idea to invite private investors to build schools which would be leased to the government through long term contracts under which they would manage the physical plant and provide security and thereby allow the teachers to concentrate on doing what they do best and what only they can do – teaching the children.

The IMF

The Leader of the Opposition has questioned whether the government intends to return to the IMF. We have stated before that such a move would only be contemplated if we face significant deterioration in our balance of payments. Minister Don Wehby and Governor Latibeaudiere met with the IMF in

Washington last week to review Jamaica's current economic situation and explore the type of assistance that might be available if it becomes necessary.

We know the disenchantment of the Jamaican people towards the IMF based on the harsh, inflexible conditions it imposed in the past. The IMF has undergone significant change and the purpose of the visit was to acquaint ourselves with its current thinking and the policy directions it espouses.

It is interesting to note that the IMF is now considering making funds available to countries for budgetary support, something that it never countenanced before. It insists on the strengthening of social safety net programmes, something it strongly resisted before. It is to be noted, also, that the majority of the funds pledged at the recent G20 Summit to assist developing countries were directed to the IMF and much less to the multilateral development banks. That's where the money is.

We are prepared to engage the Opposition in looking at our options should IMF assistance become necessary and I have instructed the Minister of Finance, the Governor of the Bank of Jamaica and all the government's technical officers to make themselves available for such discussions.

I suggest, respectfully, that it is not in the country's interest to make this a political *cause celebre*. With the freezing of the capital markets, the significant fallout in bauxite/alumina which accounts for almost 60% of our total export earnings, the decline in remittances and capital flows, we could find ourselves having to draw down on the reserves beyond the margin of safety. We are prepared to discuss all these issues with the Opposition. The country's interests are at stake.

Partnership for Transformation

Partnership with the private sector is vital if we are to improve the business environment. We have established a consultative body, the Partnership for Transformation, which has identified a range of key issues and the policy

actions required to address them. We have achieved some of the targets. Some others and their timelines have been affected by the impact of the global crisis but our vision remains clear and our commitment is strong.

Social Partnership

We have engaged the private sector, trade unions and the Opposition in consultation toward a Social Partnership, recognizing the critical role that each has to play in moving the country forward and seeking to build a consensus around the strategic objectives that must be pursued. That consensus is needed now more than ever before. None of us can make it on our own. We can't go forward without you. You won't reach anywhere without us. We have to make the journey together. There are differences that must be ironed out and trust that must be built. It is a call to leadership. We must surround the wagon; we must get it fixed so that we can set out on our journey.

Reviewing incentives

We will be undertaking a careful review of the existing range of incentives to determine their effectiveness. Many of them were instituted more than 40 years ago in a completely different era and environment. For example, the distinction between export and domestic industries may have been appropriate at a time when we were a closed economy, domestic industries had a captive market and it was exporters who had to contend with competition in overseas markets. In a liberalized economy, that distinction virtually disappears since domestic industries are faced with foreign competition in the domestic market. A dollar earned is as valuable as a dollar saved. Domestic industries may not earn foreign exchange but if they don't produce what they produce, we would have to find the foreign exchange to import it. The Minister of Finance along with the Ministers of Industry, Investment and Commerce, Tourism and Agriculture will lead that review and engage all the stakeholders in consultations.

Planning and Development Approvals

We have made significant improvements in the planning and development approval process. For 2007, only 4% of applications were processed and disposed of within the targeted 90 day period. At the end of March 2009 that figure had risen to 94%. This does not take account of the process at the Parish Council level. The Member for West St. Mary will speak to that in the sectoral debate.

We continue to work on the administrative and legislative arrangements to establish a single representative authority to complete the streamlining of the process. People who want to invest and create jobs and get Jamaica going must be given the red carpet, not red tape.

Small and Medium Enterprises

We have paid special attention to the challenges faced by micro, small and medium enterprises. They have a higher than normal failure rate and are seen by traditional lenders as high risk prospects. Yet, they are knitted into the fabric of the economy. They are a major source of supply of goods and services and a major source of employment. The Minister of Industry, Investment & Commerce has already outlined the margin of preference in government procurement to which they will be entitled.

Last year, DBJ approved loans totalling \$2.8 billion and disbursed \$2.1 billion. \$1.4 billion was approved for 243 SMEs at a 10% rate of interest.

Access to financing

One of the most binding constraints to stimulating business is the difficulty in getting loan financing. Many potential borrowers don't have the collateral to secure loans. Many of those that can find the collateral can't afford the interest rates. Add to that the aversion to risk on the part of the traditional lenders about which I spoke.

Part of the functions of the DBJ is to fill that need, to make funds available to keep businesses going and get new businesses started. It offers cheaper money but the loans still require collateral.

I have received many complaints of difficulty in accessing loan funds from the DBJ. In some instances, the fault lies with the applicants who can present no financial statements, no business plan or whose proposal is not sound. In many cases, the main impediment is their lack of collateral. We intend to address this in a number of ways.

Retail lending

The DBJ does not lend directly to borrowers. It lends through Approved Financial Institutions (AFIs) such as commercial banks, credit unions, P.C. Banks, etc. It does not do direct lending because the track record of government direct lending is not good. We know what happened to the Jamaica Development Bank in the 1970s. We know what happened to the National Investment Bank of Jamaica in the 1990s. They ended up with a huge pile of bad debts and had to be wound up.

Wholesaling loans through AFIs is not working as well as was expected. Apart from their preference for government paper, many of the traditional lending agencies prefer to lend their own money at higher interest rates and bigger spreads rather than lend DBJ money at a controlled margin.

There is a clear need for a retail investment banking facility that can respond to the financing needs, especially of small and medium businesses.

The government cannot go back into retail lending – not on its own. What happened to the JDB and NIBJ will simply happen again. But here is where we may find a basis for partnering with the private sector.

We are going to have discussions with the private sector to see if we can establish a jointly owned investment lending institution that would be more responsive to the needs of businesses that have difficulty in securing loans

either from traditional banks or through DBJ/AFI facilities. I have asked Minister Don Wehby to lead that process of consultations, an exercise he has agreed to carry out even after he has returned to the private sector.

Establishment of Credit Bureau

We will be bringing to Parliament early in this legislative session a Bill to establish a Credit Bureau which will greatly assist lending institutions in granting loans. It is an important piece of legislation. People who have a record of being faithful in their financial obligations may not have the collateral but they will be able to walk into a bank with their creditworthiness and secure a loan.

A good credit record is a better guarantee than a land title. A land title means that you can foreclose on the loan. A good credit history means that you are unlikely to have to foreclose on the loan.

Venture Capital Financing

Attempts were made many years ago to establish venture capital financing. They didn't get very far but the concept is still sound.

There are many entrepreneurs with good ideas but sometimes the ideas are bigger than themselves and they need a partner to pursue those ideas with them. Bill Gates and Paul Allen had little or no capital when they started writing computer programmes. They had an idea – an almost unbelievable idea – and they had faith in the outcome of that idea.

The Partnership for Transformation will be asked to examine the feasibility of establishing a Venture Capital company either privately owned or with government equity participation. The DBJ will provide the technical support and will engage consultants as may be required. We will look at the experience of the past but be guided by the needs of the present and the possibilities of

the future to see how this can serve as an instrument for stimulating investment and job creation.

Credit Enhancement Facility

This year, the DBJ will be establishing a special wholesale window for small and medium-sized enterprises. A total of \$1 billion will be made available through the AFIs to provide loans of between \$500,000 (minimum) and \$10 million (maximum) to SMEs. The loans will be for a maximum period of 5 years at an interest rate of 12 ½%.

In order to address the collateral deficiency of many SMEs, the programme will be supported by a credit enhancement facility to minimize the risks to the AFIs and enable them to make greater use of non-conventional credit assessment methodologies in approving loans to SMEs. Under this arrangement, many who cannot meet the collateral requirements will now be able to get loans to get their businesses going.

Microenterprises

A much larger category of small entrepreneurs is to be found in the microenterprise sector. Last year, working in partnership with established micro lending institutions, the DBJ also provided \$200 million to finance small-scale loans averaging \$50,000. 4,347 microenterprise operators benefitted from this programme. These are short term loans averaging 20 weeks. It is true that the majority of them are used to finance small-scale trading or service activity, but they do provide employment for persons who would otherwise be unemployed and, in many cases, they facilitate their transition to more value-added activity.

The programme has been a remarkable success with a delinquency rate of 4%. This year, the DBJ will be providing \$1 billion through the same mechanism to finance similar loans to a further 20,000 microenterprise operators.

Young Entrepreneurs Programme

A particular concern of the government is the plight of our students who graduate each year from high school. Our high schools graduate approximately 39,000 students each year. 14,000 of them will go on to higher studies. A tiny minority will be lucky enough to find jobs. Approximately 25,000 of them go home with nothing to do. They may have acquired some basic skill but do not have the wherewithal to put it to good use. Many of them become burdened with unwanted pregnancies or drift into deviant behaviour. Many become either victims of crime or perpetrators of crime. Many of them have ideas that need to be nurtured, ambitions that must not be allowed to die. Some intervention is needed. We may not be able to provide jobs for them but we can help them to provide jobs for themselves.

This year, we will be launching the Youth Entrepreneurship Programme (YEP) to help some of these school leavers to become self-employed.

Commencing with the students scheduled to graduate in June, those who are interested will be invited to submit their ideas as to the kind of enterprise they would wish to get started with. These will be evaluated by the micro lending institutions. Those students selected will be required to attend training seminars that will be held in various parts of the island between June and August. The seminars will be conducted by JBDC, HEART/NTA, RADA and the 4-H Clubs. They will be used to train the students in the basics of running a business.

We will be making available \$250 million to provide small scale loans to the successful applicants. The loans will be charged at an interest rate of 10% and will be administered by the micro lending institutions with the DBJ providing general oversight. We will evaluate the programme after 6 months. If it achieves its objectives, we will invest more money in it next year.

I have faith in the young people of this country. I believe that if we invest that faith in them, they will pay big dividends; they will not let us down.

To the young school leavers who are fearful of the emptiness that awaits them after graduation, the word is “YEP, you can!”

Agriculture

The agricultural sector represents part of the hope for our future. I reject the notion that we can't feed ourselves substantially more than we are doing. I reject the notion that we can't be competitive in both the domestic and export markets. Our soil can grow many more things. It is we who are not making it grow the things it can grow.

Improved technology, better management, a more efficient marketing system and virtual and horizontal linkages with other sectors of the economy are the key to achieving growth in the sector.

The agricultural sector is rebounding well from the devastation caused by recent hurricanes. I am impressed when I traverse the island to see the crops springing out of the ground. I am impressed at the number of greenhouses that have been established. I am pleased at the improvement in extension services and the fresh impetus being displayed by the players in the sector.

The Minister of Agriculture is providing strong leadership. We have a long way to go but we are on the right track.

Energy

One of the most binding constraints to achieving competitiveness is the high cost of energy. It bites a huge chunk out of the ability of local producers to compete either as exporters or domestic suppliers. The reopening of our alumina plants even after market conditions improve hangs on our ability to obtain cheaper energy.

Comparative Electricity Costs December 2007 Prices (US cents)

	Residential	Industrial
USA	10.3	6.3
Canada	5.3	5.3
UK	15.0	10.0
China	3.4	3.2
Taiwan	7.9	5.9
Japan	17.8	19.2
Malaysia	7.4	6.8
Indonesia	6.7	6.7
South Korea	9.8	6.7
Mexico	9.3	10.2
Trinidad & Tobago	5.6	3.0
Jamaica	26.8	20.8

The oil bill for generating electricity more than doubled between 2005 and 2008 from \$18 billion to \$38 billion.

The House will recall the initiatives taken by the previous government to secure LNG from both Trinidad and Venezuela which did not materialize because neither has yet put in place the supply capability. A Task Force chaired by the Hon. Carlton Davis has reviewed the arrangements that were being pursued, looked at all other options and made a report to the Cabinet. We have carefully considered the recommendations and have concluded that conversion to LNG remains the preferred alternative to oil whose price volatility is too severe, conversion costs too high and carbon emissions undesirable.

Within the next few weeks Cabinet will issue the necessary policy directions to the OUR to invite proposals from potential investors for the development of the necessary infrastructure to facilitate the conversion from oil to gas for electricity generation.

Long term supply contracts are a prerequisite of a major investment such as that which will be required. We have not ruled out the possibility of sourcing supplies from Trinidad. As recently as last Saturday I spoke with Prime Minister Manning who is optimistic that exploration currently taking place will find additional gas reserves. I don't dismiss his optimism lightly. He is a geologist by training. However, we are not relying on that. The government has identified a number of possible sources and discussions are taking place at a government-to-government level to identify the best option. The Minister of Energy and Mining will outline the strategy when he makes his contribution to the sectoral debate.

The Leader of the Opposition suggested that consideration be given to the use of nuclear energy. We have looked at that but we have ruled it out for a number of reasons: environmental concerns, high capital costs, long lead time (15 years) and the challenges involved in operations, maintenance, waste disposal and decommissioning. The siting of such a plant would also be hazardous in a country of Jamaica's size and population density. The disasters of Chernobyl and Three Mile Island where the mortality rate especially among infants rose significantly in the year following the accident must not be lost on us.

We will continue to promote the use of renewable energy which currently accounts for 5% of our energy mix. The Medium Term Socio-Economic Framework calls for that to be increased to 10% by 2010, 15% by 2020 and 20% by 2030. We are expanding the Wigton windfarm from 20MW to 38MW. We continue to promote the use of solar energy where economically feasible. Special concessions remain in place for the installation of solar equipment.

We will have to continue to rely on oil for the transportation sector but a change in our energy dependency must come and will come.

Competitiveness enhancement

Improvement in competitiveness will require more than cheaper energy, significant though that is. The government is committed to continue the programme to reduce bureaucracy. Critical bottlenecks and bugbears have been identified and are being addressed. Direct assistance is being provided to the private sector by the EU to help them to improve efficiency and productivity.

A Technical Working Group within the Ministry of Foreign Affairs and Foreign Trade has developed an implementation strategy to assist local businesses to take advantage of the opportunities available under the Economic Partnership Agreement with Europe. Sectors and products with strong market potential have been mapped. A structured market intelligence programme is being developed and will be promoted through the 11 Export Centres and Business Information Points established under the Private Sector Development Programme.

There are two areas to which we must give special attention. Firstly, we have to add more value to what we produce. Too much of our processes are limited to producing primary products to which others add value and make much money or packaging what others produce and make little money.

We send our coffee beans to Japan and they turn it into a wide range of products and make a wide range of profits. Belgium, the world's most renowned purveyor of fine chocolates does not have a single cocoa tree.

Secondly, we must establish firm vertical and horizontal linkages among the sectors where more of the output of one enterprise can become the input of another. The significant level of hotel construction in recent years is illustrative. Much greater impact should have been made and much greater benefit should have flowed to our manufacturers, farmers, agro-processors and

service providers. We must identify the binding constraints to more integrated economic activities, deal with them and build our local industries.

I have asked the Ministers of Industry and Agriculture to work with the representative private sector groups to present to Cabinet the strategic initiatives that must be taken to secure greater integration among the various sectors of the economy.

Education and Training

The absence of a well educated and skilled workforce constitutes a binding constraint to competitiveness and growth. Technical advancement requires higher levels of competency. Our education system is not producing the skilled workforce that can take us into a secure future.

Last year, 47% of the eligible cohort of students passed less than 4 subjects at CXC level. 15 ½ % didn't pass a single subject! Two-thirds of our students are failing to achieve the minimum acceptable level of performance.

We are spending this year over \$70 billion on education – 35% of the budget after debt service is taken out. We need to spend more but we need to get more for what we are spending.

The Education Transformation Programme has been re-energized. It involves a re-engineering of our education system in policy direction, management, curriculum development and lesson delivery. This year, two critical elements of the programme will be launched – the National Education Inspectorate to monitor the standards and performance of schools and students to inform corrective intervention measures and the Jamaica Teaching Council to register teachers and improve teacher performance.

For years our emphasis has been on expanding access to education. Unwittingly, we have transformed our school system into a conveyor belt rolling

at constant speed, delivering half-finished products at the end. We must pay more attention now to the quality of the product.

We do need to invest more in education. Education is expensive and we are bound by fiscal constraints. But the alternative to spending more is to have to spend much more.

Government expenditure on the different levels of the education system has been the subject of discussions for many years. The average expenditure per student contained in the budget for 2009/2010 is as follows:

Sector	Average Expenditure per Student
Early Childhood	\$24,411
Primary	\$72,345
Secondary	\$91,468
Tertiary	\$562,918

We are committed to invest more of our available resources at the lower levels where the learning process has to be strengthened and the foundation for higher achievement laid. But in doing so, we must provide greater assistance to enable tertiary students to pay for their education.

The Students Loan Bureau currently provides loans to tertiary students to cover the full cost of their tuition. On average, 98% of all applications are approved each year. This year has seen a record number of applications which is expected to exceed 10,000. The Bureau has sufficient funds available to meet this year's demand for loans. Interest rates charged on these loans were reduced from 18% in 1996 to 12% in 2006.

There are some students who have difficulty meeting the cost of transportation, boarding and meals. This year, we will be providing \$125 million to enable the Bureau to provide grants for students who are in need.

It is our intention to give special concessions to students pursuing studies in specific disciplines for which a chronic shortage exists within the public sector. The initial list of disciplines to which this applies will be published shortly and relate to skills in the health and agricultural sector for which there is severe shortage. Starting this year, the interest rate charged on loans to students in these disciplines will be reduced from 12% to 4%.

Starting next year, as we allocate a greater share of the education expenditure to the early childhood, primary and secondary levels of the system, additional funds will be provided to the Bureau to enable it to meet the demand for higher loan amounts to meet the increased tuition charges that will result from the rebalancing.

The 12 ½% rate currently charged on student loans is too high. It is not possible to reduce that rate this year but with the additional funds to be made available next year, we expect to be able to reduce the rate further.

Other changes to be made include extending the duration of the loan and aligning repayment with employment status and earnings. Both the Minister of Finance and the Minister of Education will advise the House further on these matters.

Foreign Affairs

We continue to maintain an enlightened, independent foreign policy under the guidance of the Deputy Prime Minister and our participation and leadership in the various international forums has been a credit to Jamaica. It is in keeping with the excellent tradition Jamaica has maintained through successive administrations.

While being Caricom's representative among the Rio group, Jamaica took the decision to seek membership in its own right.

President Lula daSilva of Brazil convened a meeting of Latin American and Caribbean leaders in Salvador Bahia in December aimed at forging deeper alliances among the countries of the region. Jamaica's offer to host a meeting of high-level Ministers from all Latin American and Caribbean countries to follow up on the principles adopted at the December Summit and to chart the way forward has been accepted and that meeting will take place later this year.

We are pleased that the Member for South West St. Catherine has been elected Chairman of the Governing Council of the United Nations Human Settlements Commission (HABITAT), a position which I myself held 24 years ago.

We welcome the increased focus which the new US administration has promised to place on the Caribbean. In our meeting with President Obama in Port-of-Spain last month. Our current economic challenges, immigration policy, narco-trafficking, the flow of illegal guns and the treatment of offshore banks were among the issues discussed. Caricom leaders expressed disappointment at what appeared to be a waning of interest in the region especially since the 9/11 atrocities. We were encouraged by President Obama's response and his signalling of a new approach to hemispheric relations. Caricom leaders will be meeting with President Obama in July to follow up on these discussions and to help to frame a new relationship between the Caribbean and the USA.

We continue to advocate for the revocation of the US embargo against Cuba and the normalization of Cuba's relations within the hemisphere. I have every belief that it will happen. But it is a process, not an event, and we must nurture and protect that process, not confront it.

Canada is one of our main bilateral partners and our relations continue to be strong. Later this year, as part of Caricom, we will begin negotiations toward a

Canada/Caricom free trade agreement. The experience gained in the EPA negotiations will serve us well in those deliberations.

Water

Water is life. Many of our people are still without that vital component of life.

This year, the Ministry of Water and Housing and the NWC will be commencing work on a major water supply project at a cost of \$17.5 billion to expand the supply and distribution of water in the Kingston Metropolitan Area, Portmore and other parts of St. Catherine as well as sections of Manchester, St. Ann, St. Mary and Trelawny.

The project will be financed through a loan from the Bank of Nova Scotia. The Minister of Water and Housing will provide more detail in the sectoral debate.

Road Improvement

Our road network is in need of major repairs. The funding the budget is able to provide is far from sufficient to make a meaningful impact. Much of the accumulated damage from hurricanes, storms and flood rains in recent years remain to be addressed.

People may not be happy about the additional tax on gas but in imposing that tax we took the decision to dedicate 20% of that revenue this year to the Road Maintenance Fund to provide the funds to undertake meaningful repairs and maintenance of our roads. We will increase that percentage progressively to 50% over the next two years.

It is important, however, that in ensuing years we do not reduce but maintain and increase where possible the normal allocations in the budget for roads.

Tourism

Last year, in the face of the most difficult market conditions we have seen in many years, we increased our stopover arrivals by 4% at a time when many

other Caribbean destinations were experiencing double digit decline. The Minister of Tourism and his team deserve our congratulations for swimming against the tide in a way that would have made Michael Phelps blush.

The challenges will be no less daunting this year but I have confidence in the Minister and the people he has working with him.

NHT

The Opposition continues to berate the actions we took last year to ensure the viability of the NHT. If you are selling houses below what it costs to build them and providing mortgages at rates below your cost of funds, you will eventually go bankrupt. Any sensible person can understand that.

Mortgage rates for those in the lower income brackets comprising 54% of all mortgagors were not touched. They remained at 2% and 4%. The two higher income brackets were asked to pay more – from 5% to 6% and from 6% to 8%. We could have done otherwise. We could have reduced the amount spent on new housing projects, issued less mortgage benefits and invested the money in government paper. But that is not the purpose for which the Trust was established.

As a result of the steps we took, the NHT is returning to profitability with a surplus last year of over \$600 million. Last year, it spent \$19 billion on housing solutions and provided new mortgage loans to 6,125 beneficiaries. This year, working in conjunction with other agencies such as the Ministry of Water & Housing, the Housing Agency of Jamaica, Sugar Workers Housing, UDC and private developers, the NHT will be spending \$22 billion on housing solutions and will provide mortgage loans to 7,899 beneficiaries.

Mortgage distress

The Leader of the Opposition made an impassioned plea for homeowners who were becoming the victims of foreclosures. I asked the NHT for a report as to what the situation was with its borrowers.

It shows that at the end of March this year, both the number and percentage of mortgages falling into arrears actually declined by 2% when compared to the same period last year. The number of mortgages that were foreclosed also fell significantly from 101 to 61.

In December I had announced that the NHT would give special consideration to mortgagors who lost their jobs and fell into arrears and would work with them to avoid foreclosure. Up to the end of March, 197 requests were received, 66 were approved, 28 denied, 10 withdrawn and 83 are still being evaluated.

I also checked with the building societies and found the similar situation. There was a slight increase (7%) in mortgages falling into the 31-60 days category, a significant decline (44%) in the 61-90 days category and a small decline (5%) in arrears beyond 90 days.

There will always be cases of forfeiture but the facts do not support the claim that there has been a spike in the build up of arrears or in foreclosures.

Squatter Settlements

The most notable issue to have emanated from the Standing Finance Committee was the report alluded to be the Minister of Water & Housing of the high incidence of squatting in Jamaica – as much as one-third of the population. The social ramifications of this do not have to be spelt out.

A major challenge in addressing this problem is the issue of affordability. The cost of land, subdivision, infrastructure and basic services is invariably unaffordable by the occupants unless it is heavily subsidized.

The Ministry of Water & Housing, in consultation with the Local Authorities, NEPA, NWC and NWA, has developed a framework to modify the stringent requirements for land subdivision to enable us to more quickly and affordably address this problem. It is rooted in the concept that the provision of shelter often needs to be seen as an incremental process, not a time-bound project. It is part of an effort which I have previously mooted in this House to treat a title as a certificate of ownership rather than as a testament of expensive development.

The Minister will explain the new approach when he makes his contribution to the sectoral debate.

The Opposition spokesman on Finance suggested that funds be allocated from the Tourism Enhancement Fund to finance the development of squatter settlements in resort areas. It is a good suggestion. The use to which TEF funds can be applied is defined by law and such an expenditure would be consistent with the prescribed objectives of the Fund. The Board of the TEF has accordingly given the go ahead for the allocation of \$1 billion over the next two years to upgrade and regularize squatter settlements in Montego Bay and Ocho Rios.

His suggestion for the diversion of funds from the Universal Access Fund for infrastructure projects was not found to have as much merit. His colleague member for East Kingston and Port Royal may wish to advise him of the terms on which the universal provider fee was imposed, the fact that those funds are to be used exclusively to expand the use of the internet, the strong resistance that was mounted by the US carriers, the hostile response of the US regulatory authorities who argued that we were staying in Jamaica and taxing US citizens in the US, and the threats to take the matter to the WTO.

There are more things to do after the current phase of the eLearning project is completed early next year. I will return to that another time.

Land Titling

The LAMP programme continues apace. Its coverage has now been extended beyond the pilot project of St. Catherine to other parishes. 1,810 new titles were issued last year in St. Catherine, St. James, Clarendon, St. Thomas and Manchester. Approximately 1,500 will be issued this year.

Major hurdles to accelerating the programme include the limited number of land surveyors within the government service, financial constraints in engaging private surveyors and the lack of a national cadastral map which is estimated to cost \$12 billion and would require 10 years for completion. In the meanwhile, we will be commissioning this month a Virtual Reference Station (VRS) which will help us to overcome some of the obstacles to faster delivery.

Social Safety Net

Last year, we allocated an additional \$1 billion to expand the PATH programme by increasing the number of beneficiaries and increasing the benefits. In March last year, there were 243,000 beneficiaries. By February this year, that number had risen to 307,000.

In times of economic stress such as that we are now experiencing, there is the danger that the nearly poor will become the really poor. We have increased the allocation this year to \$3 billion to expand coverage to those who fall in need.

Nutrition

I asked the Minister of Education recently what would be his greatest priority for additional expenditure at this time. Without hesitation he replied, nutrition for the children.

There are poor children whose only nutritious meal for the day is the lunch they get at school. From the current subventions many schools are only able to offer meals 3 days per week.

Last year, we increased the provision for school lunches by \$600 million. This year, we increased it by a further \$300 million. But that barely covers the increased cost of providing the meals.

We have to feed our children before we can educate them. We will be allocating a further \$1 billion so that every hungry mouth can be fed and every hungry brain can be filled.

NIS and the consolidation of statutory deductions

The Minister of Finance has already announced that the consolidation of statutory deductions will take effect on July 1st. A public education programme will be launched to sensitize employers and employees to the new deduction and remittance procedures.

The National Insurance Scheme is now facing a problem. A quinquennial review just completed suggests that the Fund as presently structured is in danger of being decapitalized within the next 13-17 years. The number of contributors who are eligible for pension benefits is rising rapidly. This is understandable because the scheme was established 43 years ago and the full cohort of the initial contributors who are still alive would now have reached pensionable age.

The Minister of Labour & Social Security has pointed out that the Fund is now paying out much more in benefits than it is collecting in contributions. The difference is made up by earnings from investments. However, as an increasing number of contributors become beneficiaries, the payout will increase dramatically. It is not unique to the NIS. The American Social Security System has faced the same problem and has had to be propped up by budgetary support. It has nothing to do with bad management of the Fund either on the part of the past administration or this one.

One way to avoid the crisis that looms is to lift the current wage cap of \$500,000 per annum used for computing NIS deductions and contributions.

An appropriate time to do so would be when the consolidation of statutory deductions takes effect on July 1st. I am advised by the technical experts that this will allow the Fund to remain solvent and viable so that it can continue to support its contributors in the evening of their years.

I sincerely trust that this does not become a source of political controversy. We cannot afford for the NIS to be decapitalized. For thousands of Jamaicans, it is their only help in times of need.

Health

The health services have come under pressure following the removal of hospital charges. We do not regret having taken that decision. We cannot charge fees in order to reduce the pressure on the health system. We must expand the capability to ensure the availability.

A major source of the demand is for drugs. Before the abolition of user fees, the budgetary allocation for pharmaceutical supplies was less than \$800 million. In this budget, the provision is \$2.2 billion. This will be augmented by a further \$300 million from the National Health Fund.

Arrangements are being made to provide access to these drugs at designated locations across the island. In addition, strategically located health centres will be upgraded to deal with cases that do not require hospital attendance and so ease the pressure on the hospital services. The National Health Fund will provide an additional \$1 billion to finance these activities.

H1N1 Virus

As if the global crisis was not enough of a calamity, we are now exposed to the risk of the H1N1 virus which was first detected in Mexico and has spread rapidly across the globe from Costa Rica to Hong Kong and New Zealand. It is approaching pandemic proportions. Our health authorities are on full alert and have put in place measures to detect any case of infection that may arise and

contain its spread, including heightened surveillance of travellers entering Jamaica. Thankfully, no such cases have up to now been identified.

We have secured additional supplies of the recommended medication and we have standby arrangements to bring in more supplies should the need arise.

Up to last week, specimens would have had to be sent to the Caribbean Epidemiology Centre (CAREC) in Port-of-Spain for analysis. We have now received the necessary primers and we have the reagents and the competence to do the testing at our own facilities at the University Hospital and will, therefore, be able to make a determination in suspected cases in a much shorter time.

We are paying special attention to our schools and the Ministry of Education has issued instructions as to the immediate procedures to be followed once suspicions of possible infection have arisen.

I appeal to the public to be vigilant and follow the health advisories issued by the Ministry of Health. I appeal to parents, especially, to monitor their children and ensure that they observe proper hygiene.

The WHO has assured that there is no risk in consuming pork once it is properly handled and prepared. The danger is not infection from pork but transmission from one person to another. There is no need, therefore, to make our hardworking pig farmers a casualty of this outbreak.

Justice

The Justice Reform Programme will continue to be rolled out. This includes the establishment of the Court Management Services, improved case management, reduction of case backlog, improved court reporting systems and the appointment of a Special Coroner. We acknowledge the significant level of assistance being provided by the Canadian government.

I feel obliged to comment on a particular case – that of Janice Allen. It is a travesty of justice that should never have happened and, I hope, will never happen again. We cannot restore the life of that little girl but the Attorney General will be entering into negotiations with the legal representatives of the family to ensure that appropriate compensation is paid.

Crime

The incidence of crime and violence is one of the biggest challenges we face as a people. The grief and trauma it brings to so many families is unbearable. The destabilizing effect it has on us as a society takes a toll on us that is impossible to measure. It is another binding constraint to growth and development.

Reducing crime to tolerable levels will take time and considerable effort. We are providing as much resources as the budget can bear to support the work of the security forces. The forensic capabilities of the Police Force are being strengthened. Specialized training especially in the area of intelligence management is being accelerated.

The recommendations of the Strategic Review of the Police Force are being implemented under the oversight of a committee chaired by Professor Gordon Shirley.

The fight is both internal and external. The effectiveness of the Police Force is undermined by the presence of corrupt members within the Force. It is more a sense of relief than a sense of pride to note that 56 policemen were arrested for corruption last year. If we can't rid the Force of corruption, we will never be able to rid the country of the crime.

Fighting crime, however, cannot be the responsibility of the security forces alone. It has to be a partnership and the citizens are the most critical part of that partnership. Fighting crime by brute force can never succeed or be allowed in a society where people must be respected and their rights protected. The success of the Police Force in fighting crime can be no more and no less than

its success in securing the support, respect and cooperation of the citizens. It must earn that support by building trust and confidence. And the public cannot be duplicitous in providing that support. We can't protect the criminal in our midst but expect the Police to protect us from the criminal from outside.

I consulted with the Leader of the Opposition on the constitutional amendment required to effect the merger of the Police Service Commission and the Police Civilian Oversight Authority, a recommendation emanating from the Strategic Review. It is an important step because it would unify two critical functions that are now separated: the power to appoint, promote and effect removal with the responsibility for overseeing performance.

The Leader of the Opposition expressed the view that a comprehensive review and restructuring of the legislative structure under which the Police Force operates was necessary. I concur with her view and further discussions are necessary to get that exercise going. These discussions must be held as a matter of urgency and I will be communicating with her shortly.

The anti-crime Bills which are designed to strengthen our crime fighting capabilities have been through exhaustive deliberations of a Joint Select Committee. I urge members to enact those Bills when they are brought back to the House based on those deliberations.

The introduction of a National Identification System is a key element in the planned strategies for law enforcement and crime fighting. We have provided \$70 million in this year's budget to carry out the necessary preliminary work. We intend to commence the registration process next year. It will be a two year exercise but it is our intention to have a comprehensive National Identification System in place by 2012.

Taking responsibility

We are going through a period of crisis. In times of crisis, people look to their government for signals and direction. That is what leadership is about.

Their faith in that leadership will always be challenged and tested. The people of Israel questioned the leadership of Moses as he led them out of Egypt. There were many times that they were on the verge of losing faith, many times that they wanted to turn back.

There were times when they grew hungry because he could not find food for them. “Is it because there were no graves in Egypt that you have brought us to the desert to die?”, they asked.

Moses was not able to carry the people on his back out of Egypt. He could not do that because there were too many of them and he had only one back.

The story of Moses is a lesson in leadership. It is also a lesson in followership. He led them through the desert and across the Red Sea but they had to walk, they had to make it on their own two feet.

We in Jamaica need urgently to develop a sense of our individual responsibility. We need a conversation as to what is government and what is the responsibility of government.

Poor Jamaicans so often protesting on television that they have 5, 6, 7 children with no one to take care of them.....that the government is doing nothing for them needs to join that conversation so that it can be explained to them that no government – not this one, not the previous one, not the next one – will be able to take care of them unless they start taking responsibility for themselves.

The businessman who finds clever ways to evade taxes but demands that the government gives up some of the taxes it is collecting from others so that he can enjoy incentives.....so that the government can take care of him.....need to

join that conversation so that he might understand that he has to start taking responsibility.

The father or mother whose child is allowed to roam the streets, never bothering themselves with the homework that he has not done or with how he is doing in class but cries injustice when he is held with a gun.....they too must start taking responsibility.

The young boys and girls who feel that they don't have to pay attention in class, don't have to study and equip themselves, who think that school is just a place where you have to go in the daytime and then leave school and can't find a job and then says the government is not doing anything for they must be part of that conversation. They are not too young to take responsibility.

And we politicians who patronize the poor and caress their intelligence instead of offering leadership and guidance.....we must be at the centre of that conversation. We must take responsibility.

The National Transformation Programme being spearheaded by the Rev. Al Miller is part of the thrust to get that conversation going, to get people in their homes and communities to start taking responsibility.

The Parenting Commission being spearheaded by the Minister of Education is part of the conversation to get parents to start taking responsibility.

My faith in the people of Jamaica has never wavered.

When we became independent in 1962, I had a dream that Jamaica would become a prosperous country where everyone would enjoy a good life, where everyone would not be rich but no one would have to be poor.

That dream has not died. It may have been interrupted intermittently by nightmares but that dream is very much alive.

As Prime Minister of this country, I have a privilege and an honour that only a few people in any one generation can enjoy. But I, too, wrestle with my frustrations that a country so blessed can be so stressed, that a people so gifted can be so conflicted.

I have never lost my faith that we will overcome, that as Martin Luther King said, we will rise up and live out the true meaning of our creed that out of many we can be one mighty people.

The Jamaica that I want to help to build may not be realized in my lifetime. The National Development Plan speaks of ***Vision 2030***. That is 21 years away! At 61, I may not live to see that day. But every ounce of my energy, every minute of my day, every sinew in my body is dedicated to ensuring that the day will come when your children and mine can enjoy a better life.

And if I am not there with them on that day, I will be content in my soul that I helped to get them there.