

CREATING A PARTNERSHIP FOR PROSPERITY

2003-2004

BUDGET PRESENTATION

BY

**THE MOST HON. P.J. PATTERSON, ON, PC, QC, MP
PRIME MINISTER**

TUESDAY, APRIL 29, 2003

OPENING

With every passing year that I am privileged to make my contribution to this Annual Budget Debate as Prime Minister, I become more mindful of those whose downfall is due to the arrogance of power.

With every passing day, I become more acutely aware that humility in leadership is a priceless asset.

*“He that is down needs fear no fall,
He that is low no pride,
He that is humble ever shall
Have God to be his guide”
John Bunyan*

I do not aspire to equal or break the Leader of the Opposition's fine record of 41 consecutive Budget presentations.

But today, the history books will record that I make my presentation as the Leader of the only Party in our nation's history that has enjoyed the confidence of the majority of the voters of this beloved land for the fourth consecutive term.

The people have once again entrusted us with the formidable responsibility to lead this nation as we face the challenges which lie ahead and move forward with confidence to fulfil the promises and the possibilities for nation building with which we have been blessed by the Almighty.

I continue to pray daily for guidance that I will prove worthy of the trust, which the people of Jamaica have reposed in me and my team.

I repeat my commitment to live up to this historical responsibility by seeking to lead this nation in a manner, which promotes unity, harmony, peace, and progress as we fulfil our national motto “Out of Many- One People.”

May I be permitted to use this occasion to reiterate that I will work towards this goal with every fibre of my being.

Mr. Speaker,

I must once again express my thanks to all the institutions, organizations and individuals whose diligence and patriotism infused them with the enthusiasm to go well beyond the call of duty to ensure that our General Elections were conducted in a manner that left no doubt as to the integrity of the results.

I congratulate the candidates from all parties for their vigorous participation. Above all, I thank the voters of Jamaica who recognized that their role in exercising their franchise is the foundation of our precious democracy.

Mr. Speaker,

I must also thank all those who make it possible for me to function effectively as Member of Parliament and Prime Minister.

To my constituents whose approval of my efforts was expressed in the polling booths in Eastern Westmoreland yet again - your loyalty, support and prayers are invaluable and are truly appreciated.

To my colleagues in the People's National Party – in whatever capacity they serve - be it in the Party office, in the field, in parochial or national government;

To my Ministerial colleagues in the Cabinet for their carefully considered advice as we wrestle with the important issues, never forgetting that decisions are life-changing – for good or ill – for the citizens of Jamaica.

To my staff at the Office of the Prime Minister and the Cabinet Office, as well as all the agencies which fall within my portfolio responsibilities, for their unstinting efforts to carry out their duties and whose outstanding commitment continues unabated year in, year out;

To the staff of this Honourable House who continue to make a sterling contribution to this country through their hard work and dedication;

To the many, many men, women and children here in Jamaica and in the Diaspora who continue to offer advice and suggestions and who keep me in their prayers – my special thanks.

On a personal note, I also wish to thank my family – my son Richard, my daughter Sharon, my grandchildren, my relatives for their love and affection and

their understanding over the years, despite the fact that I spend so much time away from them as I labour in the political vineyard.

Finally, I give thanks to God for the blessings he has poured on me during all these years.

INTRODUCTION

Mr. Speaker,

I have heard it said that in the Budget Presentation by the Prime Minister, a sugar coating is usually placed on whatever pill the Revenue Budget prescribes. Today, I come to do no such thing. Sugar is a good thing. We want a vibrant sugar industry - but I think it is my solemn duty to use this opportunity to engage in a serious, frank and honest reasoning with the people of Jamaica about the new world in which we live and the requirements for success.

I want to use this occasion to talk straight to the Jamaican people about the future of this country – which is not just my country, not the Government's country, not the PNP's country, not the Opposition's country – but which is OUR country and therefore belongs to each and every one of us.

As Jamaicans we must wake up to the reality that we are living in a brand new and different world; to the reality that the world is no longer separated by East and West or North and South. Some nations are more prosperous and powerful than others. But despite our size and level of development, we must be part of shaping the new order of one world.

Our production, our services, our standards, must enable us to compete and we have to make the transition from Third World to First World.

We have experienced stress and strain from both internal and external shocks – manmade and natural. I speak of natural disasters, civil disorder, social indiscipline, rapid urbanisation, vast changes in technology, globalisation, sharp declines in world market prices for many of our traditional crops like sugar and banana. These have had a profound impact on our society and economy.

As leaders and professionals who take seriously their responsibilities to communicate, we have to help our people in comprehending these changes and the need to adjust. Suggesting that they are the result of bad policies or that they can be avoided is simply untrue and harmful.

The stark reality is that we must accept that the world has changed and that the old ways of doing things are no longer feasible. Our people need to be told the

truth - that we cannot revert to the pre-globalisation, pre-liberalisation model. There can be no turning back.

It is first world or nothing!!

THE NEW MANDATE

Mr. Speaker,

As I address this Honourable House today, as I speak to our people, I do so fully conscious that we are at the start of a new political cycle, invigorated by the confidence of the Jamaican people expressed in the new mandate we received just six months ago.

It is a mandate to further the progressive agenda of positive change that we have started. It is a re-affirmation by the people of their belief in our ability to lead this nation.

It is not an open cheque. It is a covenant to continue the task of building a Jamaica that is prosperous and dynamic, with first class infrastructure, full access to universal education and relevant training.

A Jamaica that prepares each and every one of us not only to survive, but indeed, to prosper in the global village.

REQUIREMENTS OF A NEW MANDATE

Next year we will celebrate 60 years of Universal Adult Suffrage, during which period the Jamaican people have elected fourteen administrations.

While progress over the last decade has been both visible and tangible, the challenges facing Jamaica at this time are the most far-reaching in our history. Critical choices will have to be made now that will determine the development course of our economy and society in this decade and beyond.

Can we sufficiently revolutionise our system of production, increase investment, and encourage entrepreneurship to expand our exports of goods and services, and create the wealth required to satisfy our appetite for consumption?

Can we build the social cohesion necessary and restore the primacy of the value of life in our society?

Can we inculcate the discipline, the resourcefulness, the capacity for hard work, and acquire the technical skills necessary to achieve the productivity of a modern 21st century labour force?

In the face of these challenges, the mandate of this Administration is not only to build national consensus around these priorities, but also to provide the leadership in uniting and mobilising the country.

Human resource development, community regeneration, job creation, crime control, social justice, Constitutional and Local Government reform, the promotion of wholesome values and attitudes must be central to our concentration.

The global economy is no longer confined to free trade in goods and services. It entails the free movement of capital and increasingly, skilled labour. Employment creation is decreasing from the traditional large factories employing thousands and increasing from small knowledge -driven and service-oriented outfits run by bright, thinking Jamaicans in every community across this land.

We all have to embark on a quest for knowledge in all its forms; a search for relevant, developmental knowledge that goes beyond the walls of the classroom and permeates the workplace. There must be an intensification of knowledge use in all sectors of the economy, new and traditional, involving Jamaicans of all ages.

The education revolution must be accelerated for our very survival. It is critical that measurable targets of performance are set and achieved in keeping with levels of investment in the sector. The nation's development depends on it.

Mr. Speaker,

The new era imposes certain non-negotiable requirements of the Government in terms of the macro economic programme.

The commitment to reduce the fiscal deficit from the current level of 7.7% of GDP to between 5% and 6% of GDP in 2003/2004, between 3% and 4% in 2004/2005 and to achieve a balanced budget by 2005/2006, is not just a position taken by the Minister of Finance.

I want to make it abundantly clear. That is the solemn commitment of the Government of Jamaica led by this Prime Minister and with the full backing of the Cabinet of Jamaica. It will be done.

Equally important is our commitment to the debt reduction strategy outlined by the Minister, which will see the reduction of the debt as a percentage of GDP. We have the political will and the courage to achieve this.

Mr. Speaker,

We have long recognised that globalisation, if allowed to proceed unchecked, results in severe pain for the people on the periphery. There are real everyday social needs that cannot be met by unbridled market forces with little or no role for Government. As a Government, we have never lost sight of the fact that being a part of the world economy will enable us to provide a good quality life for all Jamaicans.

Mr. Speaker,

Positive economic growth and fiscal balance are of critical value in the building of any nation. Important though those are, nation building must also be about social justice and an environment conducive to the development of human dignity.

Our commitment to the market economy model for national development is unshakeable. However, that commitment compels the Government to create special support systems for the young, the poor and the disadvantaged. Within the new mandate, emphasis on human resource training and development and health care to make our citizens creative and productive are absolutes.

WE HAVE SET THE STAGE

Mr. Speaker,

To build a competitive economy, the country has developed a set of clear and coherent policies towards investment, industry and international trade.

Over the last decade we have undertaken significant reform and have made economic adjustments to prepare the nation to face the challenges of globalisation.

- Inflation – seven consecutive years of single digit
- NIR - dramatically increased to enable payment for vital imports
- Liberalisation of exchange control, trade and finance

Apart from the emphasis on creating a stable economic environment, we have made large investments in infrastructure:

- electricity,
- roads and highways
- telecommunication systems,
- water and sewerage plants,
- improved ports and airports and
- our social infrastructure.

In response to the social plight of our people we have provided affordable land and houses

- built hospitals and health centres,
- established community centres,
- built farm roads, provided water,
- extended electricity and proper communication and transportation services
- invested heavily in improving our nation's security in our communities and in our ports of entry as we face the very real threat to national development posed by crime and violence, – an international problem from which we are clearly not immune.

Mr. Speaker,

We have widened the avenues for democratic participation by the people in the process of Governance. We have expanded the rights and freedoms of our citizens and enhanced the free flow of information to promote critical debate and facilitate dissent.

We are now ready to forge ahead with confidence in a fiercely competitive global society. Our increasing self-confidence and sense of self as a nation are sources of great encouragement as we look to the future.

We have confidence in the economic prospects for the country even as we recognise the challenges that confront us.

THE NEED FOR A NATIONAL CONSENSUS

What then is missing from the national equation as we seek to take the next step in our development?

What then is the vital omission that is preventing us from achieving the levels of investment and job creation that seems still to elude us?

I am convinced that we are being impeded by the absence of a genuine national consensus around critical national goals and to get all the social partners to buy into the process.

Around the world people are realizing that consensus and partnerships are important strategies for survival and progress.

It is time we have a paradigm shift from the politics of confrontation to the politics of cooperation and nation building. We have in recent months for a short period, seen the benefits that the country can reap from constructive dialogue and consultation.

Instead of opposing, just for the sake of it, be constructive. Set out your views that add value to national discourse and decision-making.

Our private sector, trade unions, NGOs and Government must forge a strong and meaningful partnership for national development and prosperity in this new globalised world. Only then will we all, as one united people, enjoy the prosperity, peace and national harmony that we all desire.

Partnerships for development cannot be confined to our own borders. Local firms must seek to build more partnerships with foreign companies as part of the strategies to exploit the global market. Such collaboration will enhance competition locally, raise labour standards and skills, and increase the knowledge base of the economy.

It is firms that trade, not governments.

The spirit of co-operation must also be the corner-stone of our relationship with our neighbours.

Across the Caribbean region, we have to forge partnerships around common concerns, establish a common stand and embark on bold action in a spirit of unity and cooperation to counter the negative forces of globalisation. The common interest must supercede individual self-interest.

It is in this context of strategic partnership response that we remain committed to the inauguration of the Caribbean Single Market and Economy by 2005 and the early establishment of the Caribbean Court of Justice.

This must be the guiding approach as we engage in critical negotiations in the hemispheric Free Trade Areas of the Americas process, with the European Union as an integral part of the ACP as well as within the World Trade Organisation, where we are relentless in seeking a development round of trade negotiations.

Effective partnership-building will continue to be the hallmark of our approach to good governance.

GOVERNANCE

Mr. Speaker,

Good governance is not for me simply a question of taste. It is a sacred mission. But good governance is not achieved by one single step - however bold that may be. Good governance is a process, which has been led by the current Administration and will only be fully realised in the context of a dynamic partnership with the Private Sector, Organised Labour and Civil Society. It has to be community driven.

There has been laid on the Table of the House two full and comprehensive reports by the Cabinet Office, which give testimony to the significant progress we have made in every single direction. I recommend them for diligent reading by Members of Parliament and hope the Media will not fail to give them full coverage, simply because they contain some good news.

As we know, good governance commences with the method "by which those in authority are selected, monitored and replaced."

No one can dispute that we have invested some time and energy in ensuring electoral reform, which resulted in the fairest and cleanest election last October, in our modern political history.

The essential ingredient has been a more active engagement of both Houses of Parliament, which goes beyond the passage of legislation and now embraces evaluating the expenditure budgets, consideration of proposals for taxation, the efficiency, effectiveness and transparency with which public funds are utilised.

PUBLIC SECTOR REFORM AND REDUCING WASTE IN THE PUBLIC SECTOR

In light of our need to reduce and then eliminate the fiscal budget deficit – while maintaining the services, which people legitimately expect, we are reducing the cost of Government.

But though I am committed to doing all that is possible to effect meaningful and practicable rationalisation, this cannot be effected simply by reducing the number

of Ministers or Ministries. Whilst there would be some savings, this reduction would be insignificant when we look at the overall picture.

I think it is necessary to remind this House and the country of some facts that are often overlooked when we talk about downsizing the Public Sector.

First of all, the bulk of Public Sector employees are concentrated in three areas – Education, Health and Security. The three Ministries account for 74% or about three-quarters of the public sector work force. Having regard to our priorities and challenges, it would be irresponsible to contemplate cutting back in these three areas without carefully considering the implications.

We are committed to correct the fiscal deficit, but it can't be at the price of creating a social deficit.

This would fuel, rather than quell, social discontent. We want to ensure that our teachers, security officers and health personnel are properly deployed, and any decision to reduce their numbers could prove at this time to be “penny wise and pound foolish.”

- We decided not to close Lionel Town or Port Maria Hospitals
- The Asia Police Station will remain open

This House will also recall that when in a previous attempt at downsizing, the operations of the Ministry of Tourism were absorbed into the Office of the Prime Minister, the sector unrelentingly lobbied for its own Minister to concentrate on its needs.

There was the call for a separate Ministry of Justice.

Nevertheless, we continually seek ways in which we can accelerate the pace of change and the Public Sector Reform Programme is resulting in greater efficiency and customer friendliness.

Examples of restructuring and rationalization initiatives in progress are:

- The liquidation of Metropolitan Management Transport Holdings and rationalization of the functions of Jamaica Urban Transport Corporation (JUTC) and the Transport Authority.
- The Jamaica Tourist Board (JTB) is undertaking its own rationalization measures

- Rationalisation of the laboratory service of Jamaica Bauxite Institute (JBI), Scientific Research Council, Mines and Geology and the Government Chemist,
- Merger of the Corporate Services of Ministry of National Security and the Ministry of Justice
- Commodity Boards sharing corporate services such as accounting, corporate planning, general office services and putting them at the same location

The Cabinet will soon be reviewing a number of additional recommendations from a team led by the Cabinet Secretary and the Financial Secretary.

Mr. Speaker,

It is simply not true for anyone to suggest that the Government has done little, if anything on the recommendations made by the Orane Task Force to reduce waste.

FIGHTING CORRUPTION

One of the commitments I made when taking office for my third term as Prime Minister, was that I would not abide even a hint of any corrupt practice in this new administration.

As I have said before,

“Corruption poses a serious threat to any democratic society. It has the potential to destroy institutions, to erode moral foundations and to destroy the often hard-won rights of citizens. The economic consequences of corruption are also enormous. The taxpayer and consumer are faced with increased cost of goods and services as bribery, extortion, fraud and embezzlement push up the costs of projects in both public and private sectors. The net result is that development is retarded as taxes are evaded and revenues are reduced, confidence and trust are undermined and investment is reduced or withdrawn.”

The Corruption Prevention Regulations made possible the launch of the Commission for the Prevention of Corruption in March this year.

Under the Regulations, over 20,000 public sector workers – those earning salaries above \$2M and certain categories of workers are required to declare their assets by April 30 every year.

The Corruption Prevention Commission is now fully established with Commissioners of integrity and competence in place. All citizens, and I repeat all citizens, now have the duty to bring to the attention of the Commission, any genuine acts of corruption encountered in the public and private sectors. There is no longer any justification to undertake smear or whispering campaigns as the appropriate mechanism for dealing with corruption is now in place.

PUBLIC PERFORMANCE AND IMPEACHMENT

Mr. Speaker,

By tradition during the Budget Debate, the Leader of the Opposition precedes the Prime Minister in the batting order. In view of his own admission that his contribution this year would be concentrated on the accumulation of analyses and criticisms which he has repeatedly made on similar occasions previously, I need respond to only one area.

Indeed, I am grateful for his kind consideration.

But despite my best charitable intentions, I find it difficult to explain why he managed to remember only the Oath of Office.

How could he have forgotten that this comes after we take the Oath of Allegiance?

For the very first time, this Oath obliges me and my Ministers to swear to

*be faithful and bear true Allegiance to Jamaica;
to uphold and defend the Constitution and Laws of Jamaica
to conscientiously and impartially discharge his responsibilities to the
people of Jamaica.*

By letter of April 24, 2001, I had invited him to participate in the "exercise to reach an agreement as to the new terms that would be presented for those who are required to take the Oath of Office or affirm."

For reasons best known to him he chose not to respond.

Mr. Speaker,

Like all those truly committed to a Parliamentary Democracy which is accountable to the people and moreso, as one steeped in the Rule of Law, I subscribe fully to the concept that we must evolve and maintain systems that will protect our Nation.

We who are now here may come and will eventually go, but our Laws and Systems must endure the test of time.

The Leader of the Opposition is very well versed in our social folklore. He knows only too well the national aversion to jackets – strait or figurative.

In anticipation of any future debate on the broad process of impeachment, I am content to restrict myself at this stage to the following observations:

1. In accordance with our Oath of Allegiance and the Laws of Jamaica, where breaches occur, there are remedies and penalties which a Court of competent jurisdiction can order and impose.
2. The time-honoured assertion that Parliament is the highest court in the land still remains valid.

When Ministers or Members of Parliament are in dereliction of their duties, or where issues of malfeasance or misfeasance arise which relate to the conduct of those who have been elected by the people, there is recourse to existing Parliamentary Procedures which Members of Parliament, including those in Opposition can trigger. The outcome will determine what sanctions ought properly to apply.

3. The Separation of Powers is a fundamental canon in our system of governance. The Government dare not instruct the Courts, nor should the Courts be asked to evaluate the performance of Government.

Wherever the Law has been broken, that is the province of the Courts. The responsibility for good governance must be discharged by a responsible Cabinet and an invigorated Parliament.

The final judgment will always rest with the people.

HUMAN CAPITAL AND RESOURCE DEVELOPMENT

Pursuing a development model, which has people at its centre, has meant placing emphasis on building human capital - providing the physical and social infrastructure necessary for unleashing the creative and entrepreneurial potential of all Jamaicans.

Human capital is the aggregation of investment in education, health, on-the-job training and other factors that enhance individual productivity in the labour market and non-market. It represents skills, knowledge, ability to work and good health.

At one level human capital is a means to achieving an economic end; but its accumulation is also an end in itself.

We are conscious of the growth-inducing potential of positive social engineering and the strengthening of our institutions for the development of social capital. Human development has to be the cornerstone of national development.

EDUCATION

Education can no longer be regarded as only a social objective. It is the decisive factor in improving the productivity of labour, without which there can be no economic growth. Despite unprecedented levels of investment in Education and Training over the past decade, we must admit that the returns, in terms of scholarship, and the discipline and productivity of the labour force is less than we had anticipated.

It is imperative that we improve quality, access, and equity. We are approaching universal access at the early childhood and primary levels, and our record in providing access at the secondary level is unquestioned. However, we acknowledge that there are still worrying equity and quality deficits.

This administration is therefore investing heavily in Early Childhood Education through the CHASE Fund and by upgrading personnel in a programme of certification through the HEART Trust/NTA. We have recently concluded funding arrangements with the Caribbean Development Bank (CDB) to improve the physical structures of Early Childhood facilities.

We are examining how our children are instructed to ensure appropriate testing to measure numeracy and literacy. The recent launch of the Caribbean Centre of Excellence for Teacher Training (CETT) is one of our many initiatives which places a sharpened focus on improving the skills of the teacher corps.

Increased salaries to teachers – for which I have been a champion - must of necessity be matched by increased performance and measurable results. Teachers hold a special responsibility because of the greater significance of education to our economic fortunes. We insist that there be performance criteria and realistic targets. The future of our children is too precious for compromise.

At the secondary level, we are ensuring a uniform curriculum to include not only the traditional subject areas, but which also introduces values and attitudes, civics, communication and other skills necessary for functioning as citizens of the world.

In addressing the issue of equity deficiencies, we have delivered on our pledge and frozen the level of cost-sharing. In this budget year, we are going further and reducing cost-sharing contributions from parents by one-third as a step towards total elimination in three years.

Also, starting this year, the Government will be paying the examination fees for all secondary school students sitting the CXC in five subjects - English, Math, Human Biology, Information Technology and another science subject.

No child in school will be deprived of the opportunity of obtaining this qualification, which is basic for functioning in the new globalised economy, because of an inability to pay. This is our commitment.

We are increasingly utilising Information Technology to facilitate student-centred learning and make our students as technology savvy as their foreign counterparts. To help meet the severe challenges we face in the areas of Math and English education, we are seeking to increase the use of distance teaching techniques to optimise access to Master Teachers.

At post-secondary/tertiary level, we have achieved the target set by the region of enrolment by 15% of our population but aim to increase our coverage further to 30%.

Our efforts have included upgrading and rationalising the Technical and Vocational Education and Training Programme. The model, which is outcome based, includes rigorous assessment for life long learning, on-the-job training, e-learning, and flexible training schedules. This will increase certification of our workforce and allow us to seek high skilled/high waged investments.

The strategy has to involve the concentration of available resources on those employed or to be employed in the identified priority sectors of the economy. This must become a major area of collaboration with relevant private sector entities.

Consistent with the goal of life long learning, and recognising the numbers of persons who must re-enter the system to obtain certification, a High School Equivalency programme is being piloted beginning September 2003.

Let me repeat: In the new world, education is a requirement, not an option. This administration is pulling out all the stops to ensure that we are properly equipped to face the challenges of the new era.

HEALTH

Mr. Speaker,

While it is clear that investment in education is of critical importance, so too is the health of our citizens.

It is widely acknowledged that the health status of Jamaica's population is comparable to, or better than, many countries of similar development.

We have achieved:

- Improved life expectancy.
- Reduced infant mortality rates.
- Improved immunization coverage.

Care must be taken to maintain and raise these levels as in the new context, the same standards of performance and efficiency will be required of our workforce, as that which obtains in the industrialised countries.

We continue to systematically increase access to quality health care through programmes such as Drugs for the Elderly, and the new National Health Fund which has now started registration.

This Fund addresses the most critical health issues faced by the population. In the first instance, it focuses on chronic illnesses which have been identified as the greatest burden on the health system. This part of the Fund will assist individuals to meet the cost of medication for specified chronic illnesses and provide assistance for primary health care.

Up to 750,000 persons who are estimated to be suffering with one or more of the 14 chronic illnesses covered will be able to benefit individually from the NHF. The Fund will also cover Primary Care activities such as immunization and health education programmes.

Non-Government Organizations such as the Heart Foundation, Diabetes Association, Cancer Society and the Jamaica AIDS Support can benefit in this area.

The Health Fund will also support infrastructure and other development projects.

More than 90% of the \$2.2 billion collected for the NHF will provide benefits directly to the population.

Benefits will be available by the middle of the year.

INFORMATION

We are clear that the development of human capital requires that there be full access to information. As a result of this Government's programme of media liberalisation, Jamaican audiences can now choose between fifteen radio stations and three local television stations, which give a broad spectrum of views, and which allow for expression of varying views on a wide range of issues.

Mr. Speaker,

While the media provides vital information, we are also mindful that they have a profound influence on attitudes and behaviour especially amongst our young. The recently introduced Children's Code for Television Programming addresses the concern shared by many parents, that the values and attitudes portrayed by some of the programming is not representative of the standards which we would wish to inculcate.

The National Values and Attitudes campaign, which seeks to encourage the kind of human and social development, which leads to productivity and growth, must begin with our children. I am therefore supportive of the efforts of the broad-based National Steering Committee and initiatives by the private sector and concerned citizens.

But this vital campaign needs to permeate all ages and all sectors. The government will continue to encourage all initiatives in this regard and will continue to work to demonstrate discipline, a sense of justice and fair play, respect for the public and for the institutions, which form the core of our nation.

JAMVAT

The Jamaica Values and Attitudes Project (JAMVAT) through which students exchange service for payment of tuition at Tertiary Institutions, launched in September 2001, has met with considerable success. To date, eight hundred and ninety-eight (898) students have completed their programmes with the majority of them offering their services in Health, Education, Agriculture, Customs and National Security.

One thousand (1,000) students are currently enrolled for this academic year.

The Registry of the University Hospital, Customs, the Jamaica Constabulary Force, have all complimented the work of the JAMVAT students and requested increased numbers for this financial year.

New Dimension to JAMVAT

The start of the academic year September 2003, will see the following new dimensions to the JAMVAT project:

- Sixty awards for full tuition for a period of two academic years will be made to sixty students, one from each of the sixty Constituencies
- Each award will be given to the most needy student from the most depressed area of the specific Constituency;
- These students will attend a Community College, or Teacher Training Institution for a period of two academic years

Conditionality

The award will be made on the full understanding that each awardee will:

- a. Work in a community Development Project and/or Government Agency each Easter, summer and Christmas holiday;
- b. But most importantly, will receive training that has a specific emphasis on the concepts of the Values and Attitudes campaign.

The difference

The focus here will not only be full tuition for the two year period, but will contribute to the development of social capital and the promotion of governance at the community level.

POVERTY ERADICATION

Mr. Speaker,

The negative effects of globalisation present even greater challenges to the task of social development. I have no doubt that all the members of this Honourable House, share with this Government, a deep concern for the welfare of those Jamaicans who are socially and economically less fortunate.

We have never and could never assume for a moment that all is well. We know the struggle for survival in which many in our nation are engaged daily. We also know the aspirations, the dreams and the inherent talent, energy and creativity of our people.

That is why special attention must be paid to improving the lives of all our people and to reducing poverty, with the ultimate goal of eradicating it from our land.

There has been some success over the past twelve years in addressing the plight of the poor.

The natural disasters of last year caused a temporary setback. But nevertheless, the National Poverty Eradication Programme (NPEP) has achieved its initial objectives ahead of schedule. We are now engaged in a comprehensive evaluation, making appropriate changes, to achieve our targets within the projected time-frame.

This evaluation falls within the overall context of the 2015 Social Policy Framework and Action Plan. It will be completed shortly and any existing deficiency addressed.

Since the inception of the Programme in 1995, the Government has spent over thirty four billion (\$34b) on poverty related activities. This Budget contains provisions for these activities during this fiscal year.

A number of other Agencies supplement the work of NPEP. These include - JSIF, MIDA, the Possibility Programme and the newly created Programme for Advancement Through Health and Education (PATH).

PATH is an integrated social security system that has consolidated the Food Stamp, Poor Relief and Public Assistance Programmes.

The pilot phase conducted in St. Catherine revealed several problems, which are being addressed. Last December the project went national when approximately 102,000 persons received benefits. Some 236,000 persons are eventually expected to benefit at a total cost of J\$3.75 billion.

We are providing a comprehensive package of services to meet the needs of the poor and vulnerable at various stages of life. PATH will achieve improved coordination and delivery of service, as well as reduction of delivery costs.

PUBLIC SAFETY, LAW AND ORDER

The potential of our citizenry will never be realized unless people are assured that they can operate in safety and security.

There has been some success in improving security. Most major crime categories have been trending downwards, reflecting a 17% reduction since the beginning of the year when compared with 2002. However, we are far from being complacent and the efforts are continuing.

As we continue our initiatives to improve our capacity to maintain law and order, the primary emphasis is on training, application of technology, provision of better equipment with greater attention being paid to the working conditions and welfare needs of members of the security forces.

We have redoubled our efforts to strengthen community collaboration and are making legislative changes to better secure our borders, deterring money launderers and confiscating the proceeds of crime.

The CHASE Fund is currently working with the Police High Command on the development and funding of a project targeting educational, sports and health projects in four communities that now fall under the Anti-Crime Initiative. Within this project specific attention will be placed on developing health centres, playing fields, basic schools and after-school study centres.

Simultaneous with the approval by Cabinet of a National Crime Strategy, we accepted that it was important for a comprehensive social programme to accompany the anti-crime measures in the most volatile innercity areas and for the initiatives to be properly harmonized, focused and effective. The social Intervention Programme is expected to serve as a catalyst for positive change.

The programme involves attention to social infrastructure including water supplies; improving health and sanitation; education training, counseling, assistance with books, schools fees, and uniforms, physical infrastructure – drains, sidewalks, roads and utilities, housing, job creation and sports.

These activities are being coordinated by a special team under the direction of the Ministry of Development and are being treated as priorities in the work programmes of the public sector, non-governmental organizations and community based groups involved. It is essential however that these services are provided in full collaboration and effective partnership with the people in the communities.

We have entered into bilateral and multi-lateral arrangements with several countries, aimed specifically at stemming the drug trade, and guarding against terrorism.

As we increase our capability to secure our borders, we seek to ensure that the rights of all, will at all times be respected.

We are firmly wedded to the participatory approach as expressed through the Human Rights Consultative Meetings, and our justice system is constantly under review. The physical and technological infrastructure of our courts is being upgraded, and legislative measures are being taken to further the cause.

The Charter of Rights and Freedoms (Constitutional Amendment) Bill is laid on the Table of the House today. Also to be presented to Parliament during this legislative year are:

- Legislation pertaining to the establishment of the Caribbean Court of Justice;
- The Terrorism (Prevention) Bill;
- The Criminal Justice Administration (Amendment) (Plea Bargaining) Bill;
- The Coroners (Amendment) Bill;
- The Domestic Violence (Amendment) Bill; and
- The Maintenance Bill.

The government is leading a partnership for prosperity of the whole nation, involving the private sector, organised labour and which is unapologetically and unreservedly community driven.

That is why this administration has concentrated so much energy and considerable resources on building capacity at the community level. If the core values which we wish to promote find no expression in the home, the school, the community, we will never attain sufficiently high levels of education, skill and creativity to compete globally.

Several steps have been taken including establishment of the Citizens' Security and Justice Programme, the Peace Management initiative and a groundbreaking pilot project known as the Culture and Violence Initiative.

The project uses culture and heritage discussions to generate positive self worth and values among students, especially boys.

THE ENVIRONMENT

Mr. Speaker, one of the indicators of our values as a people, is the way in which we relate to our physical environment. Everyone has a stake in the protection and preservation of our environment.

The Ministry of Land and the Environment, in collaboration with other public and private sector agencies, civil society, donors and lenders, the government is engaged in several initiatives aimed at fostering conservation, protection and sustainable planning and development of our environment.

These include

- the introduction of economic instruments and incentives to encourage private sector investment in conservation, particularly with regard to forestry;
- the promotion of cleaner production methods; and
- the enactment of hazardous waste regulations under the Natural Resources Conservation Authority Act.

Jamaica's finite land resources are also being managed to ensure optimal use for current and future generations.

Through the Office of Disaster Preparedness, we have begun to identify and map areas prone to landslips and flooding and the critical issue of coastal zone management is also being addressed.

INFRASTRUCTURE

Mr. Speaker,

The importance of the provision of the physical infrastructure to sustain production activity and improve productivity and efficiency is essential.

We have expanded water supply, sewerage and irrigation services to target specific sectors with growth potential, notably agriculture and tourism.

Over \$2 billion has been invested in modern sewerage facilities in our main tourism centres of Ocho Rios, Negril and Montego Bay, with Port Antonio to follow.

We have completed the \$1.7 billion Lucea/Negril Water Supply Project. As a result new developments have been taking place in Negril, including, the Riu Hotel, the new Couples Negril, and as we speak another Riu Hotel is under construction.

Ocho Rios, Kingston and St. Catherine have also seen major water supply projects.

With the launching of the US\$40 million Great River/Lucea water supply project last month, the entire strip between Montego Bay and Lucea now becomes open for development.

For the agricultural sector, a National Irrigation Development Plan, has identified some fifty-one (51) projects for implementation up to the year 2020.

The Caribbean Development Bank (CDB) will fund the implementation of the first three (3) projects at Hounslow, Pedro Plains in St. Elizabeth and Seven Rivers in St. James.

Cabinet last month approved the contract for the supply of all the pipes and fittings related to these projects in the amount of nearly \$100 million. This contract will be signed tomorrow. The tender process for the construction works is well advanced with construction scheduled for the middle of this year.

Designs for three (3) other projects at Yallahs, Colbeck and New Forest/Duff House, are almost completed. These, in addition to another thirteen (13) will be funded by a US \$20 million Inter-American Development Bank (IDB) loan, which we are currently negotiating, and which we expect to go to the IDB Board by August for approval.

Mr. Speaker,

It should by now be apparent that the commitment of this government to the development of the people of this country is unsurpassed. We are rapidly developing the infrastructure to enable all sectors to build the capacity to be competitive.

We are proud of our record. Nowhere is this record more apparent than in the tremendous development in the network of roads throughout the country. Mr. Speaker, the roads are pathways to development, as they not only provide access to communities, but to an infinite range of opportunities for all Jamaicans.

As we stand on our record of road construction and rehabilitation, so too do we stand on our record in the area of housing. More housing solutions have been made available in the last five years than in any other period in our history, bringing new confidence, security and dignity to vast numbers of Jamaicans.

THE ECONOMY

Mr. Speaker,

A fundamental objective of this Government is to harness monetary, fiscal and external trade policies to achieve sustainable expansion in local output of goods and services.

While we expand production, our policies must also serve to bring about growth.

In keeping with this objective of economic growth we must work towards the fullest integration of Jamaica into the global economy. Simply put, long-term growth in domestic output cannot be achieved on the basis of local demand alone. It will also be dependent on external trade.

But we must pursue these policies mindful of the need to avoid, to the maximum extent possible, external shocks that come from over-exposure to events occurring elsewhere in the world.

INVESTMENT STRATEGY

Mr. Speaker,

Our investment strategy seeks to complement our macroeconomic policies.

The strategy revolves around the following:

1. Liberalisation of the economy and removing obstacles to investment
2. Promoting public/private sector partnerships
3. Packaging and promotion of investment opportunities
4. Targeting specific projects and sectors for incentives
5. Ensuring that the State is proactive in discharging its responsibilities:
 - taking equity positions and getting out quickly,
 - putting in the necessary infrastructure,
 - removing bureaucratic hindrances,
 - providing land and factory space where appropriate,
 - making provision for the labour force to be adequately trained.

CURRENT SITUATION

Mr. Speaker,

The present global economic slowdown following the 9/11 attacks on the USA affected our tourism and the demand for much of our exports.

We also had our fair share of internal woes that affected our economy: floods which devastated agriculture, industrial disputes in the bauxite sector, the natural 'wait and see' attitude we have come to expect in an election year.

The overall result is that we had to spend more than was planned and our revenues were less than were forecasted. We had to borrow more and the fiscal deficit was larger than targeted. We do not intend to allow events to overtake us. We have to take tough action and take it now.

We fully recognize that we need to do more than raise taxes. We have to make a direct assault on the level of public spending. Not only must we contain spending to the levels that are absolutely necessary, we must improve the efficiency and level of accountability in public expenditure.

We have to increase the value of our production. Despite the many challenges during 2002, the Jamaican economy grew for the third year in succession. At 1%, the growth was less than we expected. But this was the case for every single economy in the world.

Indeed, many of the economies that were held up as models – Barbados, Argentina, Eastern Caribbean states – showed negative growth. We take no pleasure from the declines in these economies, but cite these examples merely to point out that there are real strengths in the Jamaican economy which allowed us to grow in the face of the tremendous difficulties. Some of these include:

1. a diversified economic base,
2. our natural and human resource base, and
3. the fact that we in Jamaica have undertaken many of the needed structural changes to make us more globally competitive and attract investments.

Growth in 2003 is expected to come mainly from capital intensive investments in construction, communication, roads and other infrastructure. In addition, we expect agriculture to recover from the extremely sharp drop experienced last year. The bauxite industry too has shown significant growth in the first quarter of the year.

The number of planned and on-going projects is quite impressive in tourism, construction, information technology and agriculture. With high impact public sector projects totalling US\$2.3 billion and selected private sector projects worth US\$96 million, it is estimated that up to 8,000 jobs can be created in these sectors during the year.

Jamaica and the rest of the Caribbean are, however, caught up in global constraints similar to those being experienced in Latin America, Africa and Asia. It is a gross over-simplification to imply that the impediments to growth in the Jamaican economy are entirely internal.

Several forecasters have revised downwards their estimates of world growth in 2003 and 2004. In particular, there are doubts about how well the US economy and those of other major countries will perform. Particularly troubling is the possible size of the US fiscal deficit and what it can portend for access and terms of borrowing for the emerging economies.

The mission at hand in the economic realm is clear, albeit far from simple. We have to plan and implement a major assault on unemployment while expanding production and increasing productivity. The Government recognises the dilemma of satisfying the public need for immediate results while local and global conditions dictate that a significant impact can only be felt in the medium to long term.

Mr. Speaker,

There has been a consistently declining unemployment rate from 25% in 1985 to 14.8% in April of 2002, representing the lowest unemployment level in almost two decades thereby demonstrating noticeable job creation. Amidst these improvements, however, there were still some almost 170,000 job seekers whose services could not be absorbed by the economy in 2002.

Faced with this reality, the Ministry of Development has a specific mandate to coordinate Agency and sectoral efforts to spur greater levels of job creation. The immediate target is to reduce unemployment to 10%. This implies a minimum of 60,000 new jobs over the medium term.

The strategy to generate these jobs involves removal of business red tape, particularly as it affects the main job creating sectors:

- Construction, Transport & Communication,
- Distribution,
- Hotels/Restaurants, and
- Community/Social/Personal services
- Sports and Entertainment.

Of the 18,900 jobs created in 2001, net of job losses, 12,500 jobs were created in these sectors.

Why has a Ministry of Development been established?

To remove the bottle necks to investment and job creation and to improve the competitiveness of the business environment, driven by liberalised trade and investment regimes that allow for greater cross border competition.

TOURISM

The Master Plan for sustainable Tourism Development recognises that Jamaica has the capacity to support greater tourist arrivals and has the potential for a major expansion of employment.

It will also involve the continuation and intensification of port development initiatives which will allow us to attract even larger numbers of cruise ship passengers. In the first three months of this year there has been a 45% increase in cruise ship passenger arrivals.

We are actively targeting the European market as a source of investment and increasing visitor arrivals from that market.

ATTRACTIONS

There is also significant potential for expansion in the attractions sub-sector particularly in respect of heritage sites. Projects such as the Maroon Theme Park, which is to accompany Highway 2000, will have a major impact on the job creation effort.

Cabinet has approved proposals for an incentive regime for attractions with the expectation of significant investment flows.

MARITIME INDUSTRY

Jamaica has established a thriving and vibrant internationally recognised maritime industry.

The Kingston Container Transshipment Terminal is one of the most modern in the Americas, and a leader in the regional transshipment market.

The Port Authority will be undertaking a J\$3.7 Billion expansion which will provide an additional 25% in overall capacity.

As I indicated earlier, Montego Bay and Ocho Rios will undergo major upgrading and refurbishing to facilitate the expansion of cruise shipping.

Investigations including technical studies are being undertaken for the Port of Lucea, to determine the port's potential as well as options for development.

Since the events of September 11, 2001, security has become a major priority.

The Government has approved the institution of new security systems at our cargo and cruise shipping ports at an initial cost of J\$1.1 Billion.

AGRICULTURE AND RURAL REFORM

Agriculture continues to be an important contributor to the economy. It remains the largest employer of labour with important linkages to other sub-sectors such as sugar, and tourism.

Any decline in agriculture and the resultant rural-urban drift will contribute to growing social instability.

The impact of the decline in agriculture on poverty in the rural areas demands that special measures be taken to support the agricultural sector and rural development in general.

The government has identified an incremental amount of \$300 million to assist farmers over the next year. The initiatives will include:

- an Incremental Production Incentive Programme,
- a cocoa rehabilitation programme,
- development of the Ebony Park Agricultural Development Project,
- support to Small Scale Irrigation, and
- the development of a Land Bank as part of a programme to attract new and more professional players in the sector.

During the coming year work will be advanced by the Ministry of Agriculture and by the Planning Institute of Jamaica in developing a comprehensive programme for rural and agricultural development.

To resuscitate agriculture is to restore the lifeblood of rural communities, bring economic prosperity and spur social advancement.

Our efforts to resuscitate the agricultural sector must also involve the expansion of access to external markets for a wider range of agricultural products.

In the past, the focus of our trade negotiations has been our traditional staples – particularly sugar, bananas and rum. That was right and still continues to be right, given the importance of these commodities to the economy especially in terms of export earnings and employment.

In the second part of the Cotonou negotiations we shall be focusing on non-traditional exports such as vegetables and fruit, both fresh and in processed form.

SCIENCE AND TECHNOLOGY

Mr. Speaker,

A modern competitive economy cannot be built without a proper functioning science and technology infrastructure, and this in turn cannot be created without a reciprocal working relationship between the public and private sectors.

The success of the developed and newly industrialised economies has been largely due to science and technology.

Recognising this, the Government is leading an initiative to have science and technology development and application play a greater role in the stimulation of growth and the creation of employment.

The government, through the National Commission on Science and Technology has been working with the leadership of the private sector to improve national skills, production technologies, management techniques, and knowledge flows in enterprises and businesses.

Meaningful development toward a truly competitive economy cannot emerge from just passively waiting for so-called practical S&T applications to emerge from domestic institutions. The translation of practical Science & Technology applications into economic competitiveness will require enlightened and dedicated collaborative efforts between the public and private sectors.

In Jamaica's case, there are a number of mature technologies that can be harnessed for profitable innovative domestic use.

In our efforts to help the South St. Elizabeth and Manchester farmers to counter the effects of dumped agricultural produce, technology used in Australia to purify wine will be adapted to extract flavours, essences and other well-known high quality ingredients from our fruits, vegetables and spices.

I can announce today that plans are quite advanced to install the equipment and start extraction in a cluster of industries in South Manchester in a matter of months.

We are of the firm conviction that technology-driven non-traditional agriculture, represent a major possibility to bring economic prosperity and human betterment to our farmers and to the rural areas as a whole.

ENERGY

Mr. Speaker,

The issue of energy is of central importance to us all.

With the war in Iraq and political instability in Venezuela oil prices recently soared to US\$40 per barrel, the highest level since the last Gulf war.

These effects of oil movements are reflected in the following statistics.

In 1998, Jamaica imported 23 million barrels of petroleum at a total cost of about US\$ 313 million. In 2002 our total petroleum imports increased to over 25 million barrels that cost over US\$ 640 million. The average price of imported oil in 1998 was US\$ 13.47 per barrel. In 2002 it increased to US\$ 25.40 per barrel.

Not only is our cost of energy high, but also Mr. Speaker our economy is energy intensive and the efficiency of energy use is low.

The implications, if we do not reverse this trend are stark: pressure on our foreign exchange revenues; pressure on our exchange rate; pressure on our competitiveness as a country.

We cannot afford to continue to allow imported petroleum to remain so overwhelmingly, dominant a source in our energy mix supply. We have to develop alternative sources of energy and enhance the Energy Conservation Drive - targeting of households, motorists and Government, while bearing in mind environmental issues.

OPM has been assigned the responsibility for developing the energy policy while direct ministerial responsibility for implementation has been placed in the Ministry of Commerce, Science and Technology.

A team of highly-qualified experts is currently reviewing and updating the existing national energy policy. In order to work through the issues of supply, investment, transport and pricing, the team has also been asked to assist in the formulation of a regional policy and strategy with the fundamental requirement of national treatment of entities throughout the CSME.

Mr. Speaker,

This Honourable House is aware of the initiative to diversify our energy sources through the introduction of imported natural gas to meet the demand of the power generation and business/alumina sectors which account for over 62% of our oil consumption.

We have received technical assistance from USAID to support the preparation of this project and intend to commission the detailed technical and economic feasibility study very shortly.

Natural gas is being examined as an alternative energy source as it is an efficient, clean and environmentally friendly fuel. The proposed project includes the establishment of a Gaspark in which natural gas would be used as a feedstock for various industrial activities.

We are encouraging the increased use of renewable energy and are already implementing a wind power generation project. We will also develop an action plan and an enabling environment to encourage energy conservation, and will seek to exploit the economic potential of cogeneration through appropriate policy instruments.

INTERNATIONAL ECONOMIC RELATIONS

Mr. Speaker,

I turn now to international economic relations.

How do we remove the considerable external impediments to economic growth and development?

Access to External markets

- As far as external trade relations are concerned, our principal requirement is to achieve greater and more secure access for exports of goods and services both traditional and non-traditional, complemented by supportive movements of capital and skills. We have for some time been following a carefully designed strategy of open regionalism to achieve this aim.

The CARICOM Single Market and Economy (CSME)

- The bedrock of the strategy is to transform CARICOM into the CSME - a platform to negotiate external access as a single entity with groupings and countries in the wider world.
- If the CSME is to become a reality for business of all sizes, and people of all occupations in Jamaica and the rest of the region, a considerable amount of detailed legislative, procedural and policy work has to be accomplished. We are well on our way with this work. Major parts of the CSME are to enter into force by 2005. But Jamaica and some other member states are pressing for an earlier start by next year, 2004.
- Time is not on our side given the deadlines to which we have to adhere in our negotiations for a Free Trade Area of the Americas (FTAA), for the second phase of the Cotonou Agreement with the European Union and the post-Doha round of multilateral trade negotiations under the WTO.
- We need to secure further progress with the integration of capital markets and the movement of skills critical to the expansion of production and trade in both goods and services.

Priorities in External Negotiations

- The negotiations in which we are now engaged involve efforts to liberalise trade across the board subject to exceptions for sensitive products. Every producer in Jamaica – large or small, manufacturing or agricultural, producing goods or services, will find that as a result of these negotiations, they will have a better chance to export to the markets with which we are now negotiating

Trade in Services

- In three sets of negotiations, we shall be dealing for the first time with trade in services. Notwithstanding the importance of the goods producing sectors, services are now the single largest sector in Jamaica and in most of CARICOM.
- As far as trade and cross-border investments are concerned, we have so far focused on tourism, which the government has identified as the principal engine of growth in the immediate period ahead. In the WTO negotiations on services, tourism has attracted the largest number of proposals for liberalisation. We are studying these very carefully and will be consulting all interests in the sector.
- However, we have to pay considerable attention to Non-Tourism Services such entertainment and business and professional services. Entertainment deserves special attention because of its importance as an export earner and provider of employment. But it is also linked to other sectors such as tourism and other business and professional services.
- In relation to the business and professional services, CARICOM countries are already exporting a wide variety of these services - accountancy, architecture and engineering, computer, database, internet-related and web design services, data processing, legal services, consultancy, market research, equipment and property maintenance services, research and development, education, health related services, cultural and sporting services – to name just some of them.
- These services are well suited to small economies such as Jamaica, which have or can acquire the professional skills involved.

CONSTRUCTION, HOUSING, INNER CITY RENEWAL AND JOB CREATION

Mr. Speaker,

The Construction Sector is an important contributor to employment. It has the potential to immediately offer jobs to large numbers of young people in the process of building the infrastructure necessary for sustainable growth.

To address some of the issues facing the sector we are soon to table a Construction Policy in Parliament.

Currently the industry has the potential to employ some 30,000 more workers. We also need to improve efficiency as there is evidence of waste in the industry and costs are high when compared with other parts of the world.

To improve the levels of skill in the industry, we need to reinstate a proper apprenticeship programme to provide on-the-job- training and the certification of workers.

Construction activity for the year ahead will include major infrastructure projects – work on Highway 2000 and Segment 2 of the North Coast Highway; Kingston Transshipment port and the Sangster international Airport, housing and inner-city renewal works.

Sector Ministers will provide further details on the various infrastructure projects.

National Housing Trust

In respect of Housing, the NHT is projected to spend some \$8.54 billion inclusive of \$3 billion for major projects this year. New projects for this year will be in St. James, St. Catherine, St. Ann and Trelawny.

As is customary, Mr. Speaker, the NHT will once again introduce some changes to its housing benefits and loan policy to build on its fine record of providing housing solutions for the people.

As of May 1, this year, the NHT will implement changes to its housing benefits and loans policy as follows:

I wish to announce that:

- the loan limit for home acquisition will be increased to one million dollars - an increase of twenty five percent from the existing eight hundred thousand dollars;
- however, no more than two persons will be allowed to co-apply in respect of any one property to be purchased;
- a married person whose name does not appear on the title for matrimonial property can now have access to a home acquisition loan;

Mr. Speaker,

The goal of our urban renewal programme is the creation of healthy, sustainable communities, ensuring their ownership of the process from the start.

An essential component of the urban renewal efforts relates to the development of housing for the residents of areas in the targeted urban communities.

The aim of the inner-city renewal housing programme is to transform inner city areas into attractive and sustainable neighbourhoods through a combination of new housing and the refurbishment of existing housing stock. The challenge is to balance the provision of adequate space with affordability.

The NHT will be playing a major role in this exercise.

Under a technical cooperation agreement with Malaysia we have examined and will adopt a low cost housing solution.

The model has been redesigned and re-engineered to meet local conditions and to satisfy Jamaica's national building code. The core unit will be a four storey walk-up structure containing three bedrooms with a minimum living area of 650 sq. ft. There will also be a two-bedroom unit for the smaller family. Each block will contain forty-eight residences.

Mr. Speaker, the environment and setting in which these units will be constructed is very important.

All the various studies reviewed point to the need to provide adequate open spaces for recreation and relaxation in communities with high densities.

The absence of these spaces normally gives rise to anti-social behaviour.

As a result we will provide the following social amenities:

- green areas
- safe playgrounds
- netball and basketball courts among others
- and for some of the communities, swimming pools.

Mr. Speaker, the Cabinet has given outline approval for the following:

- the construction of 3000 new housing solutions in inner city communities in Kingston, St. Andrew, St. Catherine and Westmoreland over the next three years at an estimated cost of J\$ 3.0 billion.

- the provision of supporting social and physical infrastructure for new and existing communities at an estimated cost of J\$ 1.5 billion.
- the refurbishment and upgrading of existing inner city communities with an estimated cost of J\$ 500 million.

Following the outline approval by the Cabinet and of the Board of Directors of the National Housing Trust -

- Requests for proposals have publicly been made to contractors and developers for the design and construction of the preferred unit with a stated target price.
- To date approximately 20 entities have collected tender documents, and May 16, 2003 has been set as the deadline for receipt of proposals.
- Together with the UDC and other agencies of government, the NHT is in the process of identifying suitable sites.
- Surveys and censuses have been commissioned to obtain critical demographic data including size of households, employment and other relevant economic information
- the views of residents on approaches to the management of their communities are being sought
- appropriate management and maintenance systems to ensure that the communities are sustainable over time are being identified.

Mr. Speaker, an essential component of the overall programme relates to the process of training and re-socialisation.

In the development of these new communities, adequate training will be provided in preparing residents to accept their responsibilities, inculcating a set of values and attitudes to ensure harmonious living.

In the physical design of the new communities the principles of Crime Prevention Through Environmental Design (CPTED) will be employed. The goal of CPTED is to reduce the opportunities for crime to occur by using physical design features that discourage crime while at the same time encouraging legitimate use of the

environment.

In partnership with the church, NGOs and agencies such as the SDC, it is the intention to work on an on-going basis with these communities.

A number of housing developments were established in the inner city sections of Kingston decades ago. Most of these schemes have been totally run down

Even as we advance to build the new, we need to refurbish the old.

I am pleased to announce today that the Board of Directors of the NHT has approved expenditure for major remedial work to be undertaken in the following communities beginning as soon as possible:

- Federal Gardens' apartment blocks
- to apartments on Payne Avenue,
- in Majestic Gardens,
- for apartment blocks on Bustamante Highway,
- for apartment blocks on Seaga Boulevard,
- for apartment blocks in Java,
- for apartment blocks in Lizard Town,
- for units in Denham Town, on Greenwich Street, Race Course Lane, Water and Albert Streets,

For the Central Kingston area the emphasis will be on the creation of new housing and lands are now being identified for these new developments.

Other communities will be addressed in the near future.

Mr. Speaker,

We have as our responsibility to the people to improve the environments in which they live.

But they too have a responsibility to take care of the communities.

I therefore urge the residents of the communities after these works have been completed to not only adopt a new attitude to their community but to keep the areas nice and clean.

Mr. Speaker,

As the Minister in charge of the National Housing Trust, which will be providing

the funding for the works, and of the Urban Development Corporation which will be the executing agency for the works, I will be insisting that we get value for money spent.

There will not be the payment of any protection money. Extortion of contractors will not be tolerated.

That pernicious practice has just got to stop!

Similarly for the new communities to be developed in these inner city communities I will not allow one red cent of extortion payments. To those who may be so inclined I say forget it! If I have to bring the Army out we will be on the ready to deal with you.

Mr. Speaker, through this major programme we are not only seeking to improve the living conditions of the less fortunate in the society, we are making a deliberate effort to improve their quality of life.

Coupled with what is proposed in the Downtown Kingston Urban Renewal Programme and the resulting job creation, we strongly believe that the opportunities for residents in the inner city to really "step up inna life" can be achieved.

Interventions are also being made in selected inner city schools that suffer bad or poor school/community relations such as:

- Lack of involvement of local or external organisations
- No PTA or poor attendance
- Vandalism and Break-ins – among other problems.

The Minister of Education will elaborate.

It is proposed that a specially chosen school improvement team works closely with PTAs and other community groups, playing the role of 'critical friends'. This group would, among other things,

- Assist with the development and implementation of school improvement plans
- Working with Principals and Teachers in curricula improvement and strategies and approaches

We have now begun in a decisive way to deal with the deficiencies in the inner city communities. Every inner city cannot be done at once but we are making a decisive start and that should signal to other communities that their turn will

soon come.

Downtown Kingston Business Improvement District

Under the Downtown Kingston Redevelopment Programme, Government through the UDC, working in collaboration with other Government Agencies, will embark on a vigorous programme to breathe life into our common vision for the redevelopment of Kingston.

I have previously outlined how we plan to stimulate start-up and expansion of businesses, thereby re-establishing Downtown Kingston as the country's premier business centre.

Emancipation Park

On the eve of Emancipation Day 2002, I had the distinct pleasure of presiding over the official opening of Emancipation Park, a gift from the National Housing Trust on the occasion of its 25th Anniversary, to the people of Jamaica.

The park has become an oasis in the concrete jungle of New Kingston and a favourite spot for Jamaicans and visitors to the country. Some 70,000 persons have enjoyed its facilities since its opening.

I have therefore requested the NHT to consider assisting with the development of green spaces in other communities.

The country will be pleased to know that The West Indies Cricket Board (WICB) will host the next Cricket World Cup in March to April 2007. It has established a subsidiary, Windies World Cup 2007, to plan, manage and operate the event. The Board and its subsidiary have approached the Government of Jamaica (GOJ) to house the subsidiary's headquarters as of May 2003 the event and for a year after to allow for finalisation of all of the event's business matters. That request is receiving favourable consideration and an agreement will be signed shortly. The country will be kept up-to date as more information becomes available.

CONCLUSION

As an administration, we know that this is a time of tremendous anxiety for many. No tax package can be painless but in arriving at our decisions, we have tried to protect the poor and the most vulnerable.

I would never pretend for one moment that it will be easy.

I know the struggle for survival in which many of our mothers, or fathers, our youth are engaged daily. I share the aspirations and the dreams.

This is a time of serious national and global challenges which only a genuine partnership for prosperity can overcome.

When we came to you, the people, for a mandate last October, we gave a commitment to work with all sectors of our country to advance the quality of life for all. Much that we have done since then has been aimed at accomplishing this.

Let no one suggest that all is wrong in the country.

We have finalised the operation Phoenix Programme through which our youths will obtain guidance and assistance to upgrade their skills, improve their marketability and gain access to employment.

We are investing in Early Childhood Education and improving the systems for certification and testing.

Something is going right.

We have honoured our commitment to pay examination fees for 4 CXC subjects, started paying fees for an additional subject and have begun to roll back the Cost Sharing Programme.

Something is going right.

Commencing in 2003, all those who enter secondary school will be guaranteed 5 years of quality education; we are introducing programmes to ensure equity in the content and delivery of education from Early Childhood to Secondary levels.

Something is going right.

The full liberalisation of the telecommunications industry is increasing opportunities for investment and creating jobs.

Something is going right.

Further expansion is taking place at our ports. The airports are also being modernised. These constitute critical infrastructure for development.

Something is going right.

Over several years we have put in place the physical infrastructure necessary to sustain a significant expansion in tourism. We have engaged in more targeted niche marketing to realize the full potential of this vibrant industry. Even amidst the dramatic downturn in traffic worldwide since September 11 our local industry has been holding its own. Why?

Because something is going right.

Agriculture is being modernised to meet the challenges of the new global environment with greater emphasis on value added production and knowledge and scientific applications. We are gearing up to seize the opportunities that exist in the world.

Something is going right.

We are investing heavily and creating opportunities in construction because we have seen the potential of the sector to boost production and create growth, jobs and meaningful development in our nation.

Something is going right.

Jamaica's network of highways and major roads is superior to those obtaining in most countries of our size. We are committed to creating first world social and economic infrastructure as we move boldly and confidently into the first decade of the Twenty First Century.

Something right is happening.

Let us expunge the negativism that is constantly holding us back and exude the positive spirit that will lift us to higher levels of achievement, knowing fully well that whatever may go wrong can be corrected by our own efforts.

The Crime Plan is working to reduce crime and improve police-citizen relationships; to bring sustainable human and physical development to the citizens of inner city communities.

The Social Intervention Programme is providing better housing, better sanitary and living conditions as we engage in a concerted drive to renew our innercities.

These are taking us in the right direction.

We have returned public order to many towns, including Downtown Kingston, which is slated for massive development. This will return vibrancy to these areas and give the businesses that operate there a new lease on life.

Something is going right.

The National Health Fund is on stream. The Child Development Agency is being restructured to be an advocacy and protection agency for our children.

Right moves.

The PATH Programme is being implemented and the social security system to assist the poor is being modernised to dispense real benefits in a manner that preserves, not belittles, our people's dignity. We are seeking to protect the most vulnerable.

We are going in the right direction.

Local Government Reform must involve our people in determining and improving their own lives. We have capped the property taxes at the 2002 level, while taking steps to ensure improved delivery of local services.

Moving in the right direction.

We have enacted Corruption Prevention Legislation to deliver on the commitment of this Administration not to countenance even a hint of corruption in the Government.

Full hundred.

We are setting the example by rationalising Government Service. We are accelerating the pace of positive change and the Public Sector Modernisation Programme is resulting in the elimination of waste and in greater efficiency in customer service.

These movements are right.

We are abiding by our pledge to advance the quality society for every citizen.

Right movements.

The measures we have taken, although they may appear harsh to some, have been done with the determination to stabilise our economy, to prevent further depreciation of the Jamaican dollar, to hold inflation and to stimulate economic development and growth for the benefit of ALL our citizens. Each and everyone must, within the limits of our own activities, harness our energies and creative talents to take our country forward.

As an administration, we recognize we must guarantee better governance. Ministers must set and achieve quantifiable targets and be accountable for their ministries and agencies. Members of Parliament must walk among the people, work with them and represent them well. Our public servants must be more responsive and give primacy to timely and caring service.

Results and not only systems is what must count. Government must function on behalf of the people. This is our mission as we stand before you today.

I believe we can collectively address the task at hand, if we can arrive at and agree on common goals then the challenges we face will serve to forge a new partnership to build our nation.

CLOSING

Mr. Speaker,

Today, I have tried to paint as realistic a picture as I can of the challenges we face – because it is only by being completely realistic in recognizing the nature of these challenges; by being totally candid in informing our citizens; and by combining our idealism with a touch of pragmatism that we can hope to succeed as a country in our quest for a better life for all Jamaicans.

The international environment makes precious few, if any, concessions to small, developing nations.

Unless we combine our efforts, we are given little consideration. In fact, we have to fight tooth and nail to convince the more powerful that we must have a place in the new global design.

This is the reality that Jamaicans must grasp - it is not that the Government is uncaring and unaware of the harmful effects of global conditionalities on the lives of many sectors and individuals in our communities. It is that our country and many others like us are facing grave problems in a world where everyone seems preoccupied only with their own narrow self-interests.

We have to make the best use of the resources that we have if we are to make our way in this world. We must learn to use the intelligence and the creativity that God has given us in such abundant measure.

And we must learn to stop fighting among ourselves and tearing down each other unnecessarily.

We must stop talking only about the negatives as though we are hell bent on a path of self-destruction.

This is not to say that we should not hold differing views and opinions – but that we must learn to deal with these by informed debate, however vigorous.

In a recent *vox pop* on one of our television stations, I heard a young man make a simple but profound statement. He said in effect – that given the seriousness of our situation, it is time for Jamaicans to look out for each other.

I speak for all of us, I dare to say on both sides of the House, when I say it is time to look out for each other – because believe me, nobody is looking out for us – we are the ones who must fashion our own salvation.

It is time for us to reach deep within ourselves and do whatever we can to contribute to making Jamaica a better place.

If every man, woman or child should sweep in front of his or her door, Jamaica would be clean overnight. Remember the time when people who didn't have yard space used to plant flowers in the butter-pan!

I am not attempting to shrug off the burden of leadership, which my colleagues and myself willingly undertook when we asked the people of Jamaica for a new mandate.

We accept that leadership demands sacrifice and we are prepared to work as hard as we can to do what is necessary for a better Jamaica.

But we can achieve this goal more rapidly and more effectively if we stand together in partnership, as a united people and, as the young man said, "look out for each other."

Jamaica is a God-blessed country, blessed with a beautiful climate and a beautiful countryside and yes people who are not only beautiful, but strong, resourceful and resilient.

Unlike the prophet Isaiah, I dare not claim that "The Lord hat appointed me to preach good tidings unto the meek." That would be presumptuous. But I hope that during my tenure in the political vineyard, I can help "to bind up the broken-hearted and raise up the former desolations to spare our cities and villages from waste".

As a people we have always summoned up the courage and strength to cope with whatever problems we have had to solve.

We rose to the occasion when we were slaves fighting steadily and courageously to throw off those shackles which bound us; we rose to the occasion in 1938 when we started the long trek to independence.

Since independence we have continued to make our way towards better housing, better education, better roads, better water supplies, in short, a country which offers more and better amenities to its citizens.

Successive Governments have made significant contributions in these areas. We will continue to make ours.

Today I affirm on behalf of my colleagues and myself our continuing and unshakeable belief in our country and in the ability of our fellow countrymen and women to deal successfully with whatever challenges may confront us.

I can express this belief no better than one of our late poets Dossie Carberry – a distinguished Clerk of the Honourable House – a true patriot who wrote in the 40s.

It takes a mighty fire

It takes a mighty fire
To create a great people

It takes a mighty fire
To smelt true steel –
To create and temper steel
Needs patience and endurance –
But oh what steel
And what a people
Are my people.

The mould is not yet made – perhaps,
That can unite and make my people one.
But more important than the mould
Is the temper of the steel –
The spirit of my people.

And when that steel is smelted

And when that steel is tempered
And when that steel is cast
Oh what a people shall my people be!

ENDS