



GRENADA

PARLIAMENTARY DEBATES

(HANSARD)

SECOND SESSION OF THE ELEVENTH PARLIAMENT

OFFICIAL REPORT

HOUSE OF REPRESENTATIVES

TUESDAY 24TH OCTOBER, 2023

***Sitting of the House of Representatives
held at Parliament Chamber, Mt. Wheldale, St. George's
on Tuesday 24th October, 2023***

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Attendance

PRESENT

Mr. Speaker
Honourable Leo Cato, MP
in the Chair

Honourable Dickon Mitchell, MP (<i>St. David</i>)	- Prime Minister & Minister for National Security, Home Affairs, Information, Disaster Management and Public Administration and Minister for Infrastructure and Physical Development, Public Utilities & Civil Aviation and Transportation
Honourable Philip A. Telesford, MP (<i>St. George South East</i>)	- Minister for Social & Community Development, Housing and Gender Affairs
Honourable Lennox John Andrews, MP (<i>St. Andrew South West</i>)	- Minister for Economic Development, Planning, Tourism, ICT, Creative Economy, Agriculture, Lands, Fisheries & Cooperatives
Honourable Tevin Andrews, MP (<i>Carriacou & Petite Martinique</i>)	- Minister for Carriacou, Petite Martinique Affairs and Local Government
Honourable Ron Livingston Redhead, MP (<i>St. George North East</i>)	- Minister of State wrf Youth, Sports and Culture within the Ministry of Education, Youth, Sports and Culture
Honourable Delma Thomas, MP (<i>St. Andrew North West</i>)	- Member
Honourable Andy Williams, MP (<i>St. George South</i>)	- Minister for Mobilisation, Implementation and Transformation
Dr. the Rt. Hon. Keith C. Mitchell, PC, MP, JP (<i>St. George North West</i>)	- Leader of His Majesty's Opposition
Honourable. Dr. Clarice Modeste-Curwen, MP (<i>St. Mark</i>)	- Deputy Speaker
Honourable Peter David, MP (<i>Town of St. George</i>)	- Member
Honourable Kate Lewis-Peters, MP (<i>St. Andrew North East</i>)	- Member
Honourable Emmalin Pierre, MP (<i>St. Andrew South East</i>)	- Member

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Attendance

ABSENT

- | | |
|---|--|
| Honourable Joseph Andall, MP
(<i>St. Patrick West</i>) | - Minister for Foreign Affairs, Trade & Export
Development
(<i>Excused</i>) |
| Honourable Dennis Cornwall, MP
(<i>St. Patrick East</i>) | - Minister for Finance
(<i>Excused</i>) |
| Honourable Kerryne Z. James, MP
(<i>St. John</i>) | - Minister for Climate Resilience, the Environment
and Renewable Energy
(<i>Excused</i>) |

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*Prayers
Minutes*

The Sitting of the House of Representatives began at 10:05 a.m.

(House Prayer was said)

Mr. Speaker: Please join me as we say the Lord's Prayer.

(The Lord's Prayer was said)

Mr. Speaker: Pray be seated.

(Sound of Gavel)

Mr. Speaker: This Honourable House now commences.

Clerk Assistant (Ag.): Item 3 – Oath of Allegiance or Affirmation of a New
Member.

Item 4 – Confirmation of Minutes.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. Mr. Speaker, I beg to move that the Minutes of the proceedings of the House of Representatives held at Parliament Chamber, Mt. Wheldale St. George's on Tuesday, 25th August, 2023, be taken as read. Thank you.

Question put and agreed to.

Minutes taken as read.

Mr. Speaker: Leader of Government's Business.

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Minutes

Hon. Philip Telesford: Thank you, Mr. Speaker. Mr. Speaker, I beg to move that the Minutes of the proceedings of a meeting of the House of Representatives held at Parliament Chamber, Mt. Wheldale St. George's on the 25th day of August, 2023, at 9:00 a.m. be confirmed.

Question put and agreed to.

Minutes confirmed.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Mr. Speaker, I beg to move that the Minutes of the proceedings of the Ceremonial State Opening of the Second Session of the Eleventh Parliament held at Parliament Chamber, Mt. Wheldale St. George's on Tuesday, 26th of September, 2023, at 10:00 a.m. be taken as read.

Question put and agreed to.

Minutes taken as read.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Mr. Speaker, I beg to move that the Minutes of the proceedings of the Ceremonial State Opening of the Second Session of the Eleventh Parliament held at Parliament Chamber, Mt. Wheldale St. George's on Tuesday, 26th of September, 2023 at 10:00 a.m. be confirmed.

Question put and agreed to.

Minutes confirmed.

Mr. Speaker: Leader of Government's Business.

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Minutes

Hon. Philip Telesford: Mr. Speaker, I beg to move that the Minutes of the proceedings of a sitting of the House of Representatives held at the Parliament Chamber, Mt. Wheldale St. George's on Tuesday, 17th of October, 2023, at 9 a.m. be taken as read.

Question put and agreed to.

Minutes taken as read

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Mr. Speaker, I beg to move that the Minutes of the proceedings of a sitting of the House of Representatives held at the Parliament Chamber, Mt. Wheldale St. George's on Tuesday, 17th of October, 2023, at 9 a.m. be confirmed.

Question put and agreed to.

Minutes confirmed.

Clerk Assistant (Ag.): Item 5 – Messages from the Governor-General.
Item 6 – Announcements by Mr. Speaker.

Mr. Speaker: Morning, Honourable Members. I am advised that the MP for the Town of St. George will be late today. And I am also informed that the MP for St. Andrew South East will not be with us. She is not very well, so let's keep her in our prayers that she will experience a speedy recovery. Thank you.

Clerk Assistant (Ag.): Item 7 – Presentation of Petitions.
Item 8 – Presentation of Papers and Reports from
Select Committees.
Item 9 – Unopposed Private Business.
Item 10 – Questions.

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Item 11 – Urgent Questions under the Provisions of
Standing Order 20 (1) (Notice of Questions).

Item 12 – Statements by Ministers.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. Mr. Speaker, I rise to offer some information in relation to the Affordable Housing Programme under the Ministry of Housing. Mr. Speaker, the Government of Grenada is in the process of distributing units under the China-Grenada Low-Cost Housing Project. I take this opportunity, first and foremost, Mr. Speaker, to express our appreciation to the Government and People of the People's Republic of China for the generous donation towards Grenada and towards our whole housing stock.

As it is, Mr. Speaker, there are 100 units located at Dumfries, Carriacou, four of which would be retained under the Ministry of Social Development for emergency purposes. Located at The Villa, St. Patrick, there are 70 units, three of which shall be retained for emergency purposes. At Diamond, St. Mark, Mr. Speaker, 130 units, five shall be retained to assist persons who are in urgent and dire need. At Beasjour, St. George, 121 units, five to be retained and Corinth, St. David, 226 units, nine to be retained.

Mr. Speaker, quite a lot of work has been put into this process because when we evaluated, Mr. Speaker, what transpired under phase one, we figured that we could not repeat the mistakes of the past. The People's Republic of China, Mr. Speaker, donated to the Government and People of Grenada 1,000 units by agreement. Only 1,000 units, Mr. Speaker, and that is what is on record as the new Government taking office. We've recognised that what is on record is only 1,000 units.

In phase one, Mr. Speaker, 353 units were built and distributed to the people of Grenada. And in this phase, Mr. Speaker, which we call phase two, 647 units are to be distributed as indicated earlier. Mr. Speaker, the Government has sought to partner with

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the People's Republic of China by retrofitting EC\$4.5m worth of fixtures in these units to lift the standard of the units instead of distributing an empty shell. We demonstrated as a responsible and caring Government our partnership by investing another EC\$4.5m. The average cost of these cupboards per room is EC\$13,000.

But proudly, Mr. Speaker, we were able to utilise a number of joiners and carpenters throughout the State of Grenada **(applause)**, and we are very proud, Mr. Speaker, of the extreme, and we call it extreme, extremely high quality of workmanship by our people. This tells us, Mr. Speaker, that we need to continue to support local industries.

Mr. Speaker, added to this, in the value of all of this, we must take into account the value of the land and the value of the infrastructural work that is put into this project. With that being said, Mr. Speaker, under phase one, the units were distributed as four empty and bare walls without any fixtures. No cupboards. No closets. So, Mr. Speaker, when people occupied these units, they had nothing. They were shocked. Some people said to me, as Minister, they were surprised when they went in, there was absolutely nothing, nowhere to put their clothes, nowhere to put their groceries.

As a matter of fact, one woman who stood out in my mind, Mr. Speaker, is a woman at Mt. Rush. She brought me into her kitchen, opened a bucket after nine years and showed me her groceries therein because she was unable to furnish her apartment with cupboards. Then she took me into her bedroom. I hesitated to go for a while, Mr. Speaker, **(laughter)** she said, "No, come and see". On entering that bedroom, she pulled out a box from underneath her bed and showed me her clothes. She said, "This is where I keep my clothing since we got these units".

Having recognised this, Mr. Speaker, as a caring and responsible Government that puts people first every single time, Mr. Speaker, **(applause)**, we invested EC\$4.5m in fixtures. **(Applause)** This, of course, Mr. Speaker, added more value to the property. **(Inaudible comment by a Member)** Collective responsibility. **(Applause)**

So the question is, why retrofit? We retrofit because we love our people. **(Applause)** That is why we're retrofitting. Mr. Speaker, of course, this added to the value

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of the property. So the present market value for a two-bedroom unit is EC\$204,734. For a single bedroom unit, EC\$141,251 taking at a value of EC\$3.75 per square foot, which is the average construction price, conservatively so. The selling price for these units, and we use the word selling price deliberately because we're not into the business, Mr. Speaker, of false pretence.

Under phase one, people made a commitment. They signed a contract with the Housing Authority of Grenada to pay on a monthly basis, ranging from EC\$150 on average to EC\$350 on average for these units. For some, they could not avoid it because they had a salary assignment pegged to the agreement. For some, there was no such assignment. They gladly walked away and paid not a cent, while the Housing Authority of Grenada continued to struggle and continue to rack up interest on a monthly basis on these people.

Mr. Speaker, some people, one woman in particular that I know of, died. She died. The units could not have been passed on to her children because it was a rental arrangement. They entered into an arrangement to rent for the rest of their lives, basically with no intention to own these units, with nothing to show. If they were to do a personal statement of affairs to take to the bank, they cannot put the units on it as something of worth that they have and own, because it is just a rent, like renting from anywhere else under phase one.

Mr. Speaker, under phase two, the units are sold at EC\$73,000, which is over EC\$100,000 worth into the hands of individuals, homeowners and EC\$55,000 for single bedroom units. So this is real equity. There is real value, and for some, they don't understand the importance of having value or of having equity.

Well, Mr. Speaker, I had the opportunity to study in Trinidad and Tobago. My father, being a farmer, didn't have cash in the bank. I didn't even know if he had a bank account, but he had worth. He had land. He had a building that we all sweated to build and to own. He took those papers because there was equity on the property and offered it as security at the bank so that I could gain a tertiary education as the first in the family to be able to do so, transforming my life from one of poverty to prosperity. **(Applause)**

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Our Prime Minister, dictated to us, I am using the word “dictated” that we must transfer wealth from the state to citizens under this arrangement. **(Applause)** This is the biggest transfer of wealth, Mr. Speaker, from the state to citizens post-independence.

As I prepare to wrap up, Mr. Speaker, we must understand the value of equity and the value of owning versus renting for the rest of your life. Mr. Speaker, I just want to talk quickly about the bank real quickly. The Government of Grenada has sought to guarantee these loans on behalf of our citizens so that they can walk in easily to the bank, and secure financing for these units, and it is working.

The Housing Authority has undertaken, Mr. Speaker, certain obligations, such as installing a Home Owners Association. Why? Because we want to ensure that people live in a harmonious environment, we must build communities and not just put people in units and turn our backs on them without preparing the units. But to ensure that all of these things are properly taken care of. So, the Housing Authority of Grenada, Mr. Speaker, shall manage security, repairs and maintenance of these sites **(sound of time bell)** for the first three years. Mr. Speaker, I beg for five more minutes, just wrapping up. Thank you so kindly.

Mr. Speaker: Okay, I give you three more minutes.

Hon. Philip Telesford: Thank you, Mr. Speaker. For a period not exceeding two years, Mr. Speaker, any naturally occurring plumbing or electrical faults, Mr. Speaker, moulds and fungus, or popped tiles occurring within these units, Mr. Speaker, the Housing Authority of Grenada would repair them at their expense. **(Applause)** The Housing Authority of Grenada, Mr. Speaker, shall bear the full cost of insurance for these units for the first 10 years. **(Applause)** Thereafter, a small contribution will be requested of the homeowners. By that time, after 10 years, Mr. Speaker, we expect to see some accumulation of wealth through this exercise.

Commencing January 2034, Mr. Speaker, unit owners shall commence payment of a service fee to be determined by the Housing Authority of Grenada. A small service

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fee to capture and to cover insurance, maintenance, security and so on, and that will come within the confines of the Homeowners Association. The banks, Mr. Speaker, shall offer concessionary interest rates. We requested 3%, but under this guaranteed scheme, we expect it not to exceed 5% at maximum. We want to assure you, Mr. Speaker, that the financial institutions are all on board with us, without any exemptions. There shall be no additional security required by these homeowners, no additional security because the unit itself is real, tangible property to be able to secure the financing and repayments, Mr. Speaker, shall be for a period between 20-30 years in some instances.

So, Mr. Speaker, I wish to thank you for this opportunity to share with us, because I believe that it is extremely important, as there has been a lot of misguided, incorrect information being circulated. I hope, Mr. Speaker, that this helps to add clarity and that we learn, Mr. Speaker, take the opportunity to learn the value of equity by the example that was posited here this morning. Thank you so much, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, Leader of Government's Business.

Clerk Assistant (Ag.): Item 13 – Personal Explanations.

Item 14 – Motions.

Item 15 – Bills.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. Mr. Speaker, I beg to move for the second reading of a Bill entitled the Fiscal Resilience Bill, 2023. Thank you.

Question put.

(The Speaker and the Clerk converse privately)

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Mr. Speaker: Just leave it there?

Hon. Philip Telesford: Thank you, Mr. Speaker. Fiscal Resilience Bill, 2023.

(The Leader of Government's Business and the Legal Drafters converse privately)

Hon. Philip Telesford: Mr. Speaker, I beg to move that the relevant Standing Order of the House of Representatives be suspended to enable the Bill to be taken through the next two stages. Thank you, Mr. Speaker.

Dr. the Rt. Hon. Keith Mitchell: You did the first reading already, so you don't need to move a Motion.

Mr. Speaker: Leader of Government's Business, can you approach the bench?

(The Clerk, Speaker and the Leader of Government's Business converse in private)

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. Fiscal Resilience Bill, 2023. Mr. Speaker, this Bill contains four Parts, 17 Clauses and one Schedule. Mr. Speaker, the objectives of this Bill are, first and foremost, to repeal and replace the Fiscal Responsibility Act No. 29 of 2015, to strengthen the rules-based policy framework and its accompanying risk management systems, to also promote fiscal resilience, Mr. Speaker, and transparency in the management of fiscal operations of Government and ensure sustainable levels of debt.

Mr. Speaker, this particular Bill focuses on five major areas of reform, which

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include:

1. Rebranding of the Fiscal Responsibility Act as Fiscal Resilience, Mr. Speaker;
2. To reform the concept of the wage bill to adjust the wage rules;
3. The expansion of the concept of Public Debt;
4. The reform and rename Escape Clause as Suspension Clause and;
5. Finally, reform the role of the Oversight Committee.

Part I, Mr. Speaker, of the Bill provides for preliminary provisions and contains Clauses 1 to 5. Clause 1, Mr. Speaker, provides for the short title of the Bill to be the “Fiscal Resilience Act” rather than “Fiscal Responsibility”. Of course, Mr. Speaker, in these turbulent economic times, which seem to have no end, fiscal resilience, Mr. Speaker, has to be the focus of our fiscal management.

Clause 2, Mr. Speaker, seeks to define terms found in the Bill, but specifically seeks to focus on the following nine new definitions.

- Contingent Liabilities;
- Explicit Contingent Liabilities;
- Fiscal Resilience Act;
- Fiscal Resilience Oversight Committee;
- Medium-term Economic and Fiscal Strategy Report;
- Medium-Term Fiscal Framework;
- Public Debt;
- Wage bill; and
- Escape Clause.

All of these new definitions, Mr. Speaker, add a sense of strength and transparency in the way we conduct our business.

Mr. Speaker, Clause 2 of the Bill seeks to define “wage bill” or to expand the definition of the wage bill to include social contributions by the Central Government on behalf of its employees; speaking specifically here, Mr. Speaker, of NIS contributions. We know that prior to, well, even existing now, Mr. Speaker, a lot of these contracts do not include NIS contributions built within these contracts.

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And so, the definition, Mr. Speaker, will now embrace social contributions. And social contributions, Mr. Speaker, whenever we transition into National Health Insurance and all of these things or even pension contributions, Mr. Speaker, this Bill will now embrace all of this by way of expanding the wage bill to accommodate social contributions, now making that definition consistent with international definitions for the wage bill.

Clause 2, Mr. Speaker, in respect of those definitions, seeks to define public debt now to include the debt of statutory bodies and state-owned enterprises, which is also reflected in the Public Debt Management Bill, Mr. Speaker, which is scheduled to be discussed later.

Clause 3. Clause 3, Mr. Speaker, provides for the scope and application of the terms of the Bill. Clause 3 (1) speaks to the management of public finance and fiscal matters relating to the Central Government, statutory bodies and state-owned enterprises. And subsection (2) spells out the commencement date to be the 1st day of January, 2024, all of this, Mr. Speaker. That is why this Bill must be done now, so that it is in time for our National Budget, and implementation in 2024.

Clause 4, Mr. Speaker. Clause 4, Mr. Speaker, makes direct reference to two specific pieces of legislation and states that this legislation must be read in conjunction with this Bill. The two specific legislation we're speaking of, Mr. Speaker, are the Public Finance Management Act and the Public Debt Management Act.

Clause 5. Clause 5 sets out the objectives of this Act. The objectives, Mr. Speaker, in summary, cover transparency, disclosure and all of these things. In particular, Mr. Speaker, it seeks to ensure that the fiscal and financial affairs of the public sector are conducted transparently and in a manner that bolsters fiscal resilience.

Secondly, Mr. Speaker, to ensure full and timely disclosure and wide publication of all documents and all decisions involving public revenue and expenditures and their implications. Why publication, Mr. Speaker? Speaking about transparency in public life.

Thirdly, Mr. Speaker, to ensure that public debt is reduced to and then maintained at a prudent and sustainable level by maintaining primary balances that are consistent

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with these objectives, and to ensure prudent management of fiscal risk.

Part II of the Bill, Mr. Speaker. Part II of this Bill provides for the establishment of a Fiscal Responsibility Framework, including fiscal rules and targets, and contains Clauses 6 to 9. Clause 6, Mr. Speaker, speaks to the duty of the Minister relating to compliance with these fiscal rules. The Minister shall take appropriate measures, Mr. Speaker, to ensure compliance with this Act, including taking appropriate measures to ensure the following—

- (a) that the fiscal and financial affairs of Central Government, statutory bodies and state-owned enterprises are conducted in a transparent manner with full and timely disclosure of fiscal and financial information;
- (b) the Minister, Mr. Speaker, shall ensure that the principle of fiscal sustainability is observed by ensuring that public debt is reduced to, and then maintained at, a prudent and sustainable level;
- (c) the Minister, must ensure that there are no announcements or implementation of any new revenue and expenditure policy initiative unless measures that offset the impact of the policy initiative on the primary balance;
- (d) the Minister, Mr. Speaker, shall take appropriate measures to ensure that fiscal risks are identified and managed in accordance with regulations and guidelines to be issued by the Minister; and
- (e) the Minister, Mr. Speaker, shall also ensure that, in respect of all projects submitted for inclusion in the capital expenditure programmes of the Central Government, documented public investment procedures are prepared, include climate change mitigation and adaptation considerations and are made available for submission and approval.

We move to Clause 7, Mr. Speaker. Clause 7, Mr. Speaker, speaks to the wage rule. We understand, Mr. Speaker, previous administrations have used this wage rule, which was pegged at 9% as a tool to fight with public servants. **(Applause)** Mr. Speaker, the Minister shall take appropriate measures to ensure that the annual wage bill of the Central Government does not exceed 13% of nominal GDP, 13%. What does this do?

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This is expanded so as to take into account all of the social contributions and all of the things that were previously excluded as wages, now being captured. Subject to subsection (4), Mr. Speaker, the compensation settlement for persons employed by the Central Government shall be subject to a compensation negotiation cycle of three fiscal years.

In respect of these negotiations cycle, Mr. Speaker, the Minister is required no later than one year before the compensation negotiation cycle commences and in consultation with the Minister responsible for Public Administration, cause to be established a Wage Negotiation Framework to guide the conduct and arrangements for negotiations concerning the compensation of employees of Central Government.

Clause 7, Mr. Speaker, continues subsection (3) of Clause 7. The Minister shall take appropriate measures to ensure that negotiations concerning the compensation of employees of Central Government are conducted in a manner consistent with the ceiling under subsection (1), and the principles and plans set out in the medium-term fiscal framework and these negotiations are concluded within the compensation negotiation cycle.

So, Mr. Speaker, upfront, all of these things will be known. The period when the negotiations have to start, the period when they must end, are enshrined within the framework of the legislation.

The Minister shall take appropriate measures to ensure that no multi-year commitment shall be entered during a period in which Parliament is dissolved. So no trickery, no dissolving Parliament and then you trying to do things to fool employees. It must be done within the particular framework.

The Minister may, by Order subject to a negative resolution, adjust the duration of the compensation negotiation cycle as earlier stated under subsection (2).

Moving to Clause 8, Mr. Speaker. Mr. Speaker, Clause 8 speaks to prudent debt management, the public debt targets, and the primary balance rules, and these, Mr. Speaker, are extremely important if we have to maintain proper fiscal discipline.

Subsection (1), Mr. Speaker, of Clause 8. The Public Debt Target shall be no more

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than 60% of nominal GDP to be achieved by 2035, and in respect of each annual Budget, Mr. Speaker, the medium-term fiscal framework shall set an annual percentage ceiling for public debt as a ratio of nominal GDP to achieve the public debt target in 2035.

And for the purposes of achieving the public debt target, Mr. Speaker, under subsection (1), the medium-term fiscal framework shall set an annual debt-reducing primary balance, which shall be no less than one and a half per cent of nominal GDP until the public debt target is achieved. So there is an annual percentage deduction payment.

Mr. Speaker, I move down to Clause 9. The “Suspension clause”. Previously, it was referred to as the “Escape Clause”. There is nothing to escape from. You see, because we have to face the reality of our current situation and be honest and transparent about the way we manage our fiscal resources.

The Minister, Mr. Speaker, may, by Order subject to negative resolution, suspend the public debt target and primary balance rule under subsection (8) at any time during a fiscal year where any of the following occurs—

(a) a major economic shock resulting from the following—

- (i) a global economic recession;
- (ii) a disaster;
- (iii) a public health epidemic; or
- (iv) a war.

(b) The Minister, Mr. Speaker, may, by Order subject to negative resolution, suspend these rules where a cumulative decline in real GDP equals or is greater than three per cent over two consecutive years.

(c) Mr. Speaker, it may also be suspended where the ECCB has certified in writing that a financial sector crisis has occurred.

I move to Part III of the Bill. Part III, Mr. Speaker, provides for the facilitative and supervisory function of the Minister, the Statistics Office, the Fiscal Resilience Oversight Committee and contains clauses 10 to 13.

Clause 10, Mr. Speaker, of this Bill speaks to the duties and the powers of the Minister for implementation and for reporting. The Minister, Mr. Speaker, shall take

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appropriate measures to ensure transparency in Central Government's fiscal operations at every stage of the budget preparation and execution cycle, unless it is reasonably required to withhold publications of information in the interest of national security. At all times, Mr. Speaker, there is a requirement for transparency.

Secondly, Mr. Speaker, the Minister may request information from any legal person or legal entity to comply with any relevant provision of this Act.

Thirdly, Mr. Speaker, the Minister shall ensure that the medium-term economic and fiscal strategy report is prepared and submitted to Parliament along with the presentation of the annual budget. That Report, Mr. Speaker, shall now accompany the Budget under the Public Finance Management Act and includes matters set out in the earlier sections.

Fourthly, Mr. Speaker, the Minister shall prepare and submit to Parliament, along with the presentation of any supplementary budget, a statement showing the progress made towards compliance. There must be a statement towards compliance with the fiscal rules and targets in this Act.

The Minister, Mr. Speaker, shall produce that statement and shall include a review of the fiscal performance for the first half of the fiscal year and any assessment of the estimated fiscal outturns for the entire fiscal year in comparison with the fiscal rules and targets in this Act. So there is a provision, Mr. Speaker, to do a projection and to do a comparison.

So, reporting, Mr. Speaker, under this particular piece of legislation becomes a critical component. The matter of transparency, Mr. Speaker, these matters are the centre pieces of this particular Bill.

The Minister, Mr. Speaker, in fulfilling his or her responsibility under this Act, may request any financial statement, data, or information associated with fiscal rules from any economic entity, any entity in the public sector or any entity receiving guarantees and loans from Central Government.

The Minister, Mr. Speaker, may also request information from any domestic or regional authority, including the Eastern Caribbean Central Bank, Eastern Caribbean Securities Exchange, the Grenada Authority for the Regulation of Financial Institutions

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and any other supervisory entity responsible for the supervision of financial institutions or other business undertakings, about the fiscal risks that are associated with any entity in Grenada under supervision by the domestic or regional authorities.

Move to Clause 11, Mr. Speaker. Clause 11, Mr. Speaker, speaks to statistical data and the importance of data, Mr. Speaker, within this framework and the commitment, Mr. Speaker, from the division of statistics to provide information for decision-making purposes. So the Ministry of Finance, Mr. Speaker, shall produce all fiscal data necessary for compliance with the provisions of this Act on a timely and regular basis as may be prescribed by the Minister pursuant to section 50. The importance, Mr. Speaker, of this information is to inform proper decision-making by the central Government.

Secondly, Mr. Speaker, the macroeconomic data for the purpose of this Act shall be produced by the Statistical Office on a timely and regular basis, there is that provision, and where the statistics office is unable to produce macroeconomic data in a timely manner, the Minister may rely on available estimates which in the opinion of the Minister are most credible and accurate in the circumstances. Mr. Speaker, this is saying, Mr. Speaker, there is a provision for the Department of Statistics to always supply information for proper decision-making purposes in summary.

Clause 12. Clause 12, Mr. Speaker, speaks to the Fiscal Resilience Oversight Committee, the body constituted under section 14 of the Fiscal Resilience Act, known as the Fiscal Oversight Committee, is hereby preserved, continued, and renamed as the Fiscal Resilience Oversight Committee for the purpose of this Act.

And just, Mr. Speaker, just to provide a little sneak peek into the functionalities of that committee. The Fiscal Resilience Oversight Committee, Mr. Speaker, shall monitor assess, and report on the implementation of this Act, no later, Mr. Speaker, than three months after the end of each fiscal year prepare and lay before the House of Representatives, for consideration, an annual report of the status of the implementation of this Act.

The committee, Mr. Speaker, shall also provide a written assessment to the Ministry of Finance on the draft of the medium-term fiscal framework prepared in

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accordance with section 12 of the Public Finance Management Act.

The committee, Mr. Speaker, shall, where an Order under section 9, which speaks to the suspension provision, where that suspension has been made prepare and lay before the House of Representatives a written assessment on the compliance with this Act and the adequacy of the measures proposed to facilitate compliance with the public debt targets and primary balance at the end of the suspension.

So, Mr. Speaker, even within the suspension of the rules, there is a role for the Fiscal Resilience Oversight Committee to stay on top of what is happening within the Ministry of Finance and within Central Government, and they will continue, Mr. Speaker, to advise on measures that ensure compliance.

Move to clause 13, Mr. Speaker. Mr. Speaker, clause 13 introduces measures for the monitoring of Statutory Bodies and State-owned Enterprises by the Ministry of Finance. Very importantly. These provisions, Mr. Speaker, of course, existed under the 2015 Act, but the monitoring of statutory bodies and state-owned enterprises is very critical.

The Minister shall cause to be established Performance-Monitoring Guidelines for Statutory Bodies and State-owned Enterprises in accordance with the objects of this Act. Those Performance-Monitoring Guidelines, Mr. Speaker, are critical and must be implemented to ensure that those statutory bodies and state-owned enterprises stay on course and that we do not end up with another Marketing Board. **(Applause)**

No later than three months prior to the beginning of a fiscal year, Mr. Speaker, the Minister shall review and, where applicable, update the performance-monitoring guidelines for Statutory Bodies and State-owned Enterprises. Always staying current and fresh, reviewing the guidelines continuously to ensure that it is keeping up with the times.

Where applicable, Mr. Speaker, issued statutory bodies and state-owned enterprises with explicit guidelines for non-interest expenditure, new borrowings, and other policies for the fiscal year, which shall be monitored by the Ministry of Finance.

Final section or final Part of this Bill, Part IV. Part IV, Mr. Speaker, provides for miscellaneous matters, including confidentiality in the exercise of responsibilities and

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powers of the Minister, and is contained in clauses 14 to 17.

Mr. Speaker, in furtherance of this Act, the Minister may reserve any information which, in the opinion of the Minister, is confidential commercial information, or, if disclosed, could prejudice national security or defence or have a substantial adverse effect on the Grenadian economy or the Central Government's ability to manage the economy.

A person with responsibility for or involved in the management of public finances who discloses any information to any unauthorised person shall be subject to disciplinary action by the Public Service Commission.

Clause 15. Mr. Speaker, the Minister may make regulations for the purposes of giving effect to the provisions of this Act from time to time. And without prejudice to the generality of subsection (1), the Minister may make regulations relating to the methodologies and procedures for the computation of fiscal and other ratios to be used in the preparation of reports required for measuring compliance with this Act. Very importantly.

Secondly, relating to the discharge of the responsibilities of the accountable officer, and thirdly, prescribing operational guidelines for the preparation, submission and approval of public investment projects.

Clause 16, Mr. Speaker, speaks to the repeal of the Fiscal Responsibility Act, and clause 17 speaks to the provisions involving transitioning from the 2015 Act to this 2023 Act.

Mr. Speaker, I move quickly to the Schedule, and I will just do a small portion of it. The Fiscal Resilience Oversight Committee (FROC), shall consist of five members which shall be appointed by the Governor-General.

The Governor-General, Mr. Speaker, shall appoint each member, upon a nomination of the Committee of Privileges of Parliament, in each case of four members in consultation with the Director of Audit having qualifications in Accounting or Business Management for a period of 10 or so years or 10 or more years; Public Administration, ten or more years, or in Law. And, Mr. Speaker, in the case of one member who has

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shallow expertise in Economics on the advice of the Governor of the ECCB, the tenure is for a period of three years, and members shall serve.

And it also speaks to, Mr. Speaker, the diligence of members of the committee that they shall not miss three consecutive sittings of the committee. It also speaks to supporting services that the Fiscal Responsibility Oversight Committee shall appoint such staff on a temporary basis and as shall be necessary, Mr. Speaker, for the efficient technical and administrative operations of the committee. So they have the power, Mr. Speaker, to appoint staff, make use of the Policy Unit within the Ministry of Finance, and they have the continuous support. They also, any cost incurred, Mr. Speaker, shall be a direct charge to the Consolidated Fund. And under the Act, Mr. Speaker, must meet for times, Mr. Speaker, no less than four times per year.

So, Mr. Speaker, I took the opportunity to say all of this because there is a measure of seriousness in this Act that calls on public officers to rise to a higher level of accountability and transparency. Mr. Speaker, I take this opportunity at this time (**sound of time bell**) to commend this Bill and to invite fellow colleagues to comment on this Bill, and I ask for your kind support. Thank you, Mr. Speaker. (**Applause**)

Mr. Speaker: Thank you, Leader of Government's Business, and I now turn over to the Leader of His Majesty's Opposition.

Dr. the Rt. Hon. Keith Mitchell: Thank you, Mr. Speaker. Mr. Speaker, I think the Member introducing this Bill spoke for about 35 plus minutes. Therefore, I hope I'll be given an opportunity to respond appropriately to that presentation.

But I just need to add, Mr. Speaker, it's one of the reasons I wanted to say a word with you this morning that in the presentation of the Bill, one does not have to read the clauses in the Bill. We all, I suppose, are gifted enough, appropriately, to read. Reading something that's already on paper does not help us. I don't know any of us who have been better off listening to the readings of these clauses. It's an advice for what it's worth because I know when I give advice to Members on the "Other Side" they are not likely to

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take it from the “Father of the House,” because this, we could have start discussion, Mr. Speaker, on this Bill a long time ago in this period that we have been here listening. For what it’s worth, I offer this advice, that’s not only now, I’ve seen it happen with other Bills.

Mr. Speaker, as you know, a couple of Members of the Opposition are missing, as you pointed out. One had some urgent matters they had to take care of, and one had a foot injury they had to deal with appropriately. So, they had portions of this to deal with, so I would do what I have to do, Mr. Speaker, in presenting our views on this important Resilience Act.

Mr. Speaker, I think I had agreed with the Members last week when we met that this Resilience Bill will incorporate or have a connection with all the other amendments that were, in fact, brought forward last week. So in doing this response, I would certainly be referring to the other Bills and that is, Mr. Speaker, the amendment to the Debt Management Bill, the amendment to the Public Finance Management Bill and the Licenses Bill, appropriately so. Mr. Speaker, if we are talking about resilience, any changes will have to help us to become more financially resilient and as far as the governance of the country is concerned.

Therefore, Mr. Speaker, I think it would be worthwhile for Members and the “Other Side” if they have not done this to examine many other reports, the international reports on the economies of developing countries and other countries because it is said, the big ones when they have a cough we get pneumonia. So we have to know when it is happening, not just the regional scene, our own local situation, but we must appreciate what is happening on the international scene. So I just refer to a couple of reports, but there are many reports worth reading, and I do take time to read them.

This IMF Report 2023 on the World Economic Outlook has some interesting reading. It points out the possible slowdown in tourism activity. So, while we may not be seeing that actually happening here now, we have to be aware of what is being projected, and therefore, we have to adjust ourselves or plan appropriately. It also speaks very strongly... We all must be aware that while the bigger countries have had the CBI programmes, the format is different, but it was CBI, we always felt that the smaller

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countries ought not to be doing anything that strengthens their hand financially, and of course, they have the power.

It is well known that the CBI programmes in the small countries, region, and outside are under serious, serious scrutiny and is being projected based on even the European Union, they are in fact pointing to drastic decision steps they will be taking to limit the entry of CBI successful application in many other countries and they pointed out some countries in the region as prime example.

It is also known, Mr. Speaker, we can't fool ourselves, that the Ukraine War is a serious issue. We might be thousands of miles away, but serious issues that will affect us in the region. Because many of the bigger countries that we will expect to support us in our programmes in the smaller islands are spending billions as they see it in their own interests, in their own security, so clearly that will have an impact, certainly will. We may not see it immediately, but it will come. And unfortunately, what is happening in the Middle East might be a long way from us, but soon we will see the impact of what is happening in our own environment. It worries me, but as a citizen, I watch these days, I don't even want to watch television because I can't bear to see little children being blown apart, women and children being blown apart by whatever sides of the fence, it's just fundamentally against our basic human spirit.

And so all these things, Mr. Speaker, and therefore decisions that we take care of here have to also take into consideration all these issues that I mentioned and plan accordingly. If we assume that we can just look at things as they are right now and don't plan appropriately, we could be fooling ourselves. In my view, Mr. Speaker, many of the decisions that we make, many of the amendments, and I listened to the presenter, a lot of words written on paper, but it's not the words that count, the practical results of what we say. That is what counts. Nice-sounding phrases mean absolutely nothing; it is the result that we have to look at.

Mr. Speaker, with your leave, I want to begin by addressing issues in the Fiscal Resilience Act, and I will be referring time and time again to the other Acts. Clause 7 of the proposed Bill, Mr. Speaker, seeks to address the increase in the wage bill rule from

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9% of GDP to 13%, a 44% increase. A 44% increase. They are looking startled. It is a 44% increase. If we understand anything about numbers.

Now, and I hear the Member was boldface enough, Mr. Speaker, to say, let me get his words, "This wage rule of 9% was put there to fight the Public Unions." We could say facts. It's not what you say, you know, it's what results turn out to be. It is not words, Mr. Speaker, it's not words. It's what the actions turn out to be and the impact they would have on people, and not just one set of people, all people. **(Applause)** People who understand and talk freely, talk your talk, but it is what happens outside there in the streets that counts.

Mr. Speaker, to fight? Does any Government want to be in office to fight unions? A Government of leadership with serious leadership makes decisions for all and sundry, Mr. Speaker. **(Applause)** All and sundry, and sometimes you have to tell your best friend, this is not right. That's what leadership is all about, not satisfying everybody that comes to you and says, I want this and I want that. What about the rest of the people? What about the population? What are they? In the end, Mr. Speaker, if we make decisions that benefit the population, in effect, you're benefitting every single worker; in the end, he benefits. So sometimes you think you're helping a man directly, but in the end, you're literally hurting him because down the line, he has to face the consequences of the decisions you make! That's the issue, so we must think carefully, Mr. Speaker.

Mr. Speaker, I'm not surprised that we are here today. In fact, Mr. Speaker, if you examine the Budget document and response to the Budget, many of the things I said have come to pass. **(Applause)** It's there. It is 30-odd years of experience speaking, and it is not a boast, and I offer advice many times because if the Government succeeds, we all succeed, Mr. Speaker. I don't want any Government to fail; that would be selfish. It will be selfish. It is in the interest of all concerned for a Government to succeed. So if you see it going wrong and it's doing things that are counterproductive to the success of the country, you have a responsibility because the Hansard will show what you did then and what you said. Did you just sit down and clap and pound the table, sound good, did you do that? And feel that you have power, I can do what I want. Did you do that? Did

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you do that? This is the thing, this is what we have to all...

Mr. Speaker, I heard a press conference held by the Prime Minister on the issue of regularisation, my name's sake. He lamented the necessity of a functional review because I want to make sure I use the words, "To determine the optimal size of the Public Service before proceeding fully with the promise regularisation." That sounds like something a previous Mitchell said to avoid bloating the wage bill. Mitchell. The question here is, Mr. Speaker, how would you determine the increase in the public service? How do you determine it?

Mr. Speaker, the document speaks to how you are going to make decisions, quite rightly so, if you do not have a study on the optimal size of the Public Service. Mr. Speaker, over the years, what the Members on the "Other Side" do not know is that, from 1984 to 1997, the optimal size of the Public Service was in fact researched. These are not news, research. In 1985, '86 hundreds of people were sent home, retrenched and given serious money some instead of business because it was clear from all reference point that unless that was done we were not going to get the support of the international community and you have to sometimes recognise that you are living in real world, so that was done, Mr. Speaker.

The question I asked is, with all that the Government is thinking or doing, there must be a serious discussion with the unions about the way forward. Because they have a responsibility and you can't just say give us this or give us that, they have to work with the Government, and the Government has to work for them in the process. It's not one against the other, like sometimes, like the Member was saying, we wanted to fight the unions. What kind of language is this? Does this make any sense?

Mr. Speaker, prior to the Structural Adjustment Programme, 70 cents of every dollar, which was realism, 70 cents of every dollar in 2013, 70 cents of every dollar was spent on wages, salaries and pensions. So the other 30% is to do what? To do what? They will build roads, they will build bridges, and you will do all of the other things you have to do with 30%. In other words, if that 70% does not come down or if it doesn't grow the economy to the point that it can take care of the other fundamental issues, you are in

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a serious problem, and that's a fact. **(Sound of time bell)**

Mr. Speaker, I did tell you I expected first to speak on this matter because the Member spent a long time, and two of the Members of the Opposition are not here. So I expect... I ask your indulgence to move forward in the interest of the country. What I'm saying here is it's not just for me, not for the NNP. So I seek your indulgence, which I have never done going forward. All right.

Mr. Speaker: Honourable Leader of the Opposition. I cannot give you time for missing MPs; your time has elapsed. I'll give you five minutes more.

Dr. the Rt. Hon. Keith Mitchell: So you're not going to entertain a discussion on this from the Leader of the Opposition after a Bill has been presented for over 35 to 40 minutes? Mr. Speaker, you have the power. Proceed. But this is important because the public is there! What I will say here, Mr. Speaker, is that there is enough chance to deal with it, and we'll set up forums to deal with this. So go ahead, go ahead, Mr. Speaker. Feel free. Mr. Speaker, I'm going through specific aspects of this Bill that have enormous implications for this country.

The question you really need to ask regarding many of the amendments is, what are the implications for recurrent expenditures and revenues? And how will what is proposed impact the ability of the Government to carry out other fundamental responsibilities, including the Capital Programme? The Capital Programme... Social Services... I know how this Government has a problem with Social Services. Anytime they want to make a cut, the first place is Social Services. **(Inaudible comment by Members)** Social Services, no wonder the first decision was an EC\$150 cut taken away from the most vulnerable people in society.

Gentlemen. Gentlemen, I'm speaking, I'm speaking, like little children. I am speaking, I am presenting serious issues. How will you learn if you don't listen? Mr. Speaker, in the Government's quest to satisfy a few, the question is, one of the long-term implications of this increase is that it must be considered in real cost, the real burden,

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including the additional cost accruing through additional issues of pension. Why? The Government paid? There are people willing to retire now, and yet, all of a sudden, you have to hold back. Because of the implication of what was done, do it for everybody, do it for everybody and don't tell anybody not to come now, because that was what you promised.

You promised to give a pension and to pay the whole sum, and therefore, don't come and tell us now that there was a limitation and it will blow the budget and it will affect the fiscal balance and so on. These were not the words used before! Stay on that path! The path of give everybody, do what you want, do this.

Mr. Speaker, this Opposition group is not anti-worker. We've never been. There were jobs, and more jobs, and more jobs, now you have a problem around the country. You go around the country and you see the pain, the lack of business activity, the problems facing all sectors of society; these are not my words. Go to them if you want to, some of you are living in the sky, you live in the sky, therefore, you will never know what's happening. The ground is where the action is. You go on the ground and you will find out what is happening on the ground outside. That's what it is, but you will never understand.

You know, Mr. Speaker, there was a time another Member, when I was in Opposition, and I mentioned the same thing, and a Member got up and said **(inaudible comment)**, I won my seat by 1800 votes. So I said to him, "So those votes are in your pocket. It stitched. Very soon, you will find out if that stitch remains permanent." That Member lost that seat by 600 votes in the following election.

Mr. Speaker: Member...

Hon. Dickon Mitchell: Mr. Speaker, I am standing on a Point of Order.

Mr. Speaker: Honourable Prime Minister.

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(Sound of time bell)

Mr. Speaker: Honourable Prime Minister, I saw your light. Yes, I saw your light. The Honourable Leader of the Opposition's time has elapsed. So, this is why **(sound of time bell)** the bell will go before you stand, Honourable Prime Minister. But the five minutes I gave to the Honourable Leader of the Opposition have elapsed. I'm informed. So, I was going to let him close and allow you to stand, Honourable Prime Minister. So I now invite you, Honourable Prime Minister, to stand.

Hon. Dickon Mitchell: Mr. Speaker, I was going to stand on a Point of Order because for the Honourable Leader of His Majesty's Opposition to be begging for time and then to use the time to bring matters that are completely irrelevant to the debate before this House is why I was standing on the Point of Order. So, whoever members, and whoever votes, and how much they win and lose by, what does that have to do with the Fiscal Resilience Bill? Nothing. And for someone with 30 years' experience in the House... And this is the point. This is what the temptation is. The temptation is always to bring the debate to a level that is debasing. That is what this strategy is about.

And so, Mr. Speaker, I'm just making the point, the comments made are irrelevant to the debate on the Fiscal Resilience Bill. Thank you. **(Applause)**

Mr. Speaker: Thank you. Thank you, Honourable Prime Minister. The floor is still open for further debate. Honourable MP for St. Patrick East.

Hon. Dennis Cornwall: Thank you, Mr. Speaker. And good morning to everyone present in the House. Let me begin by saying that I stand in full support of the Bill as presented by the Leader of Government's Business here today. I

must indeed say that although it was referred to as a reading session, I think it was necessary for the Leader of Government's Business to outline in detail all that pertains to the Bill. And that is so because the layman on the street will not fully

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understand the level of discussion that we are having here if the Leader of Government's Business did not go into details, and again, I would not want to repeat what he has said.

When I look at the Fiscal Resilience Act that has now been repealed and is being replaced here today, it tries to take out all the ambiguities that existed under the Fiscal Responsibility Act. It also clarifies certain things that were not clarified. So what we are basically presenting here today is an upgrade to what existed, and while the FRA would have actually served its purpose at some point in time, because there was a time when successive years there were surpluses made and so on. However, even when you had surplus made and so on, you had difficulties implementing capital projects because, practically, the Government had tied itself into a situation where it could not spend. And we are trying at this point in time to fix that because you don't want to have a situation where you have 3.5% surpluses and you still have poor implementation of projects, you cannot implement certain things because you are basically bound in a situation where you cannot get wiggle room. So that is my first point on the matter.

When you talk about a 44% increase in income or wage bills, I am saying that is so misleading and the oddest thing. The Fiscal Resilience Bill captures the true definition of all the things that are captured under what is called Wages and Salaries in the Public Service. Some of them existed before, but they failed to capture those. We have taken plain steps to ensure that we cover fringe benefits that were given under the last negotiations. We have taken on board the increase of 4% in salaries over the last salary increase and every other element that is necessary. So, moving from 9% to 13% is capturing everything that was not captured before.

And I also want to go a bit further to say that the Public Service, or the Public Sector workers and their representatives, were not involved in those things, I will say that is total nonsense. We have sat and put in place that in every negotiating cycle that is done, not on the back burner, but we do it up front, so we know what's going into that figure. When I questioned the issue of the 9% of the wage bill in the FRA, I asked how that figure was determined. And no one could have given me a precise answer as to how it was actually created, it seems to me that they just pull a number from a hat

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somewhere and plant it there.

Now, in speaking to the IMF, the FROC, which is now the Fiscal Resilience Oversight Committee, has detailed to us all the elements that go into that calculation to come up with that 13%. So I have no doubt that the 13% covers all that it should cover at the end of the day.

When you talk about maintaining debt GDP ratios and so on, I'm also convinced that my Government has not gone out there and borrowed money that is not in keeping with concessionary borrowing. And I could talk a lot more about that, but I will not go, yes, because I don't want to distract you from the Bill that is before us.

But to give the public that assurance that my Government would not go out there and borrow monies in a vai kay vai way and not keep with the Fiscal Resilience Act that we are presenting here today. In addition to that, the Act is going to provide for 1.5% of surplus which we have sat down and crunched those numbers to show that it would give us room to be able to at least implement our capital projects at a far greater rate of implementation as well as we should be able to pay our debts on a timely basis and to ensure that we stay on a resilient and sustainable path at the end of the day.

Mr. Speaker, there are challenges, and we know that there are challenges that we have no control over. All the wars that are springing up right now, those between Russia and Ukraine, those that are in the Middle East right now between Palestine and Israel, all of these are things that we have no control over. However, having taken steps to modify, amend, and upgrade the Fiscal Responsibility Act, which is now going to be the Fiscal Resilience Act, we are ensuring that the necessary steps are being taken to make sure that when we have shocks like these, we will not be caught with our pants down. **(Applause)** We will be in a position to say, okay, we have done all that we could have done within our powers and so on, we would have been able to at least in cases where there are things that we have no control about and so on, put in place the measures that we can basically cancel some of the things that we would have incurred, like our debts, and take advantage of that.

Therefore, Mr. Speaker, I stand in full support of this Bill here today to ensure that

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our public out there is aware that we have taken prudent steps to ensure we manage this economy of Grenada in the best way possible. Thank you. **(Applause)**

Mr. Speaker: Thank you, Honourable MP for St. Patrick East. Honourable MP for St. George North East. Sorry, you light... Okay, for St. Andrew North West.

Hon. Delma Thomas: Thank you, Mr. Speaker. Mr. Speaker, I rise to add my voice and support to the Bill brought before this Honourable House, entitled Fiscal Resilience Bill, 2023.

The Bill sets out the framework for the efficient and responsible management of the nation's finances, including, it clearly states, the prudent management of financial risk and overall debt management. Indeed, Mr. Speaker, maintaining the framework's current focus on debt reduction will continue to underpin debt sustainability. The Fiscal Resilience Bill, 2023 ensures fiscal transparency and maintains fiscal debt, sorry fiscal and debt sustainability. The reform Act, which seeks to replace the Fiscal Responsibility Act 29 of 2015, will be easier to implement and monitor while allowing for flexibility for the Government to manage and transform this country.

Mr. Speaker, the Fiscal Resilience Bill, 2023, provides for simpler sets of fiscal rules, including providing a level of flexibility in spending and an incentive to mobilise revenues for more spending in the key areas, including public investment and social protection. Very much talked about social protection, Mr. Speaker, but we're not here to talk social protection and this 150 that I was the Minister and, Mr. Speaker, that are Members in this House now who know better than that, who knows that it was temporary, but that will be dealt with in a different place. **(Applause)**

Its proposed implementation from January 2024 will come in the middle of the second year of this administration, amidst its growing commitment to all aspects of good and better governance that is underpinning its transformational agenda. In this context, I think it will be useful to mention, Mr. Speaker, the declared policy and scope to improve the targeting and effective of the Support for Education Empowerment and Development

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Programme as well as other social programmes by improving and determination of eligibility, updating the poverty data with the result of the census, and labour force survey, strengthening the central beneficial management system, and moving to the cashless payments. Savings from this would enable us to better target those families who need this assistance.

Mr. Speaker, the Bill now before us will also strengthen accountability and enhance oversight through the establishment of the Fiscal Resilience Oversight Committee, an independent body that will validate macroeconomic assumptions and help provide assessments of fiscal risk. Mr. Speaker, therefore, this new Bill, which institutes a more effective medium-term fiscal framework and enhances accountability and oversight, has my unhesitating approval and support. I thank you. **(Applause)**

Mr. Speaker: Thank you, Honourable MP for St. Andrew North West. Is it MP for Carriacou and Petite Martinique?

Hon. Tevin Andrews: Thank you, Mr. Speaker. Mr. Speaker, the need for this Bill comes from multiple reviews of the existing Fiscal Responsibility Act, which reveal various shortcomings and inconsistencies.

The Ministry of Finance conducted an internal review sometime in 2018 to propose amendments that would clarify the ambiguities and inject more realism into the Act. The findings of the review, Mr. Speaker, were then discussed with the Fiscal Responsibility Oversight Committee, which also acknowledged the need for a repeal and replacement of this original Act. Further external assessments, Mr. Speaker, were conducted by the IMF in 2019 and 2022, which supported the Ministry of Finance's recommendation for legislative reform and highlighted the need to simplify the fiscal framework and ensure consistency with other fiscal legislations.

The findings and recommendations of the latest review in 2023, Mr. Speaker, were then discussed with the various stakeholders, which include the FROC, trade unions, the private sector and civil organisations. The purpose of this Bill, Mr. Speaker, is to reform

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and strengthen the fiscal responsibility framework in Grenada, ensuring that fiscal policies are sustainable and the government finances are resilient in the short, mid-term and long term.

Mr. Speaker, the Bill expands the concept of public debt, as my good colleague, the Leader of Government's Business, explained, to include the debt of statutory bodies and state-owned enterprises. This allows for better monitoring and reporting of the country's overall debt situation. The Bill will also introduce measures for the Ministry of Finance to oversee statutory bodies and state-owned enterprises. The Bill forms the role of the oversight committees, which is now called the Fiscal Resilience Oversight Committee. This committee, Mr. Speaker, will have increased supervision over the fiscal performance and will review the mid-term fiscal framework and proposed recovery measures. The current Members of the oversight committee, Mr. Speaker, will continue their appointments until they expire, and new appointments will be made in accordance with the Bill.

So in short, Mr. Speaker, this Bill aims to strengthen Grenada's fiscal responsibility, promote fiscal resilience, and address the deficiencies in the existing Act. The proposed changes will facilitate efficient, effective implementation and ensure the sustainability of Government financing. Mr. Speaker, thank you, and I support this Bill 100%. **(Applause)**

Mr. Speaker: Thank you, Honourable MP, for the constituency of Carriacou and Petite Martinique. Honourable MP for St. Andrew North East.

Hon. Kate Lewis-Peters: Thank you, Mr. Speaker. Mr. Speaker, I just feel compelled to lend my voice to this Bill at this time, Mr. Speaker. Mr. Speaker, the Bill, the Fiscal Resilience Bill that we are discussing here, is what is being used now to replace the Fiscal Responsibility Bill that was in effect. But, Mr. Speaker, we have to remember that the Fiscal Responsibility Act of 2015 came at a time when Grenada was undergoing total hardship from 2008 to 2013. This Bill came to serve an important purpose and to put financial measures in place to correct the financial ills of that period. The Bill achieved

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its goal.

Remember, there was a period when the Government was unable to meet its financial commitments, and the public servants will tell you that. I was a public servant at a time when Government could not find money to pay salaries on time. The month lengthened. We cannot play forget in this House, Mr. Speaker. So the Fiscal Responsibility Act came into place to cushion how the Government managed their expenditure. This is the same Bill that allowed us to manage the country's finances in such a way that when disasters struck, we were sustainable. Do you remember COVID-19? All public servants were paid even if they were not working at the time, Mr. Speaker. **(Applause)** The Bill allowed that the Fiscal Responsibility Act allowed these things to happen. It allowed for the Social Safety Nets Programme to take place, and so that the people who couldn't afford to take care of themselves financially Government was able to put measures in place to take care of them, Mr. Speaker.

So here we are repealing a Bill that came in a crucial period, and there is nothing wrong with that, Mr. Speaker, because we have to understand that as we move through the years, changes will have to be made. We have to understand that. But the Fiscal Responsibility Act did achieve its purpose. **(Applause)** We were able to receive concessionary loans, millions of dollars in grants, because of the Fiscal Responsibility Act, Mr. Speaker. And I'm not here reading anything, I'm just saying, I'm speaking about what I know took place.

So to make it look as if the Bill that we are repealing here today did not serve its purpose is far from the truth and it's okay to make the changes we could call it Resilience... Resilience... Nothing is wrong with that. Greater sustainability is not what we want for our country, Mr. Speaker. So if this new Bill could do that, nothing is wrong. However, we must not ignore the fact that the Fiscal Responsibility Act came in at a time that was crucial to take us out of a period where we were struggling financially as a country. It provided the State with surpluses that allowed us to do what we had to do. Remember the pension payment, Mr. Speaker? If it were not for this Bill that monitored the expenses of the state, we would not have been able to meet all these surplus funds

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there to make that commitment to our people.

So nothing was wrong with the Fiscal Responsibility Act. Of course, we have to improve as we go on. So to sit here and to give the impression that we are repealing something because it was bad, totally, is a misconception, Mr. Speaker. We know what it did. We know the purpose it served. We know the fiscal problems we were removed from. So that is what I felt compelled to say this morning, so I had to add my contribution to this Bill. Thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, Honourable MP for St. Andrew North East. Honourable MP for St. George North East.

Hon. Ron Redhead: Thank you, Mr. Speaker. Mr. Speaker, this morning I rise to express my full support for this Bill and just state briefly why I support the Fiscal Resilience Bill, 2023.

Now, this Bill, Mr. Speaker, aims to repeal and replace the existing framework of fiscal responsibility. The replacement is not to remove the elements of the fiscal responsibility but to enhance it in a broader manner, improving our overall financial management and prudence of our finances. So our legislative financial framework, Mr. Speaker, is on the offensive, on one hand, it looks at the question of being responsible and prudent and at the same time, it allows for genuine opportunities to invest and expand our economy while at the same time certainly maintaining that fiscal prudence and fiscal responsibility.

And Mr. Speaker, we heard some interesting things this morning. But I want to take the opportunity to talk about why we are getting to this point. It's not to try to erase the use of the FRA in the past. That's not true. But when we talk about why we are repealing and replacing, it's to enhance it, as I said. So I'll give you one example. We heard mention that businesses closing down and things slow, but I want to say this morning that according to data from the Central Statistical Office, our unemployment rate has gone down, I wouldn't give the figure I will leave this to the Minister or Prime Minister

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or Minister for Economic Development to give the actual figure, but it is much lower than when we came into office. The point is the trend, Mr. Speaker, is going in the right direction. We are not doing this because we want to get back at the former administration.

In fact, while we are being called little boys and girls, our leadership and governance so far demonstrate far beyond that. **(Applause)** And as such, we have absolutely no time to engage in this banter over the development of our Grenadian people. So let us put that on record and let's set the record straight that some of what we heard this morning is very far from the truth, misleading, and just designed to bring the debate down to the gutter, where some people are comfortable. We're not in a convention. So, Mr. Speaker, the economy is improving, even a locksmith could get work these days, and things are going much better in the Grenadian context. **(Laughter)**
(Applause)

So notwithstanding that we are speaking now of Fiscal Resilience, the Oversight Committee as you heard is going to remain because we believe, Mr. Speaker, that we must ensure that an independent committee should oversee the Government and it doesn't have to do with the Ministers of the MPs only but the whole of Government approach that we want to take. So the Oversight Committee will remain in place.

Clause 13, for example, Mr. Speaker, provides for a monitoring mechanism of state-owned bodies and includes them as part of our public debt. Now, what this will do is, one, ensure that when we implement fiscal measures, it is done so on the basis of proper, more accurate data and information.

And, two, it will help us to ensure that state bodies that are set up to provide services make the profits, etcetera., and surpluses so that they can move things forward are not doing so on their own volition that they take an all of Government approach and are also being monitored just like Central Government in terms of its oversight mechanisms to extend that to the state bodies. So that recklessness, Mr. Speaker, like Marketing Board, will not occur or recur or repeat itself.

We see this as critical, and I would have liked to hear the Leader of the Opposition talking about this particular clause because under his watch, the MNIB deteriorated into

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what it did. And I'm saying that the time must come for us to show maturity, this is something good, and the Opposition should be talking about that and supporting it. So it's not about repealing and replacing what you had with what we are now putting; that's not the intention. It's to say that we have crossed that hurdle.

And might I add, I heard mentioned that the reason why we had to institute the FRA at the time in 2015 was because of what they inherited. That's not true, that's absolutely not true. What was inherited was not a mismanaged economy; we had a fiscal problem, and part of it was this long decision, which looked to narrow the gap, for example, of income tax many years ago. Talk about that. This is why we had to reach that point; the country was not generating sufficient revenues at the time, and in addition to that, it had to deal with the international crisis and economic crisis. So we know all about that.

What we are saying, Mr. Speaker, is that the response of Government is not to engage in who caused this and who caused that, but it's to set the record straight and to prepare the platform for our take-off as a small island developing state knowing fully well that we are indeed vulnerable to the external shocks as mentioned this morning and that the response should not be one that is enclosed and seeks to build up surpluses and not take the surpluses and put them to good use. But we should be both on the defensive and on the attack from an economic standpoint as I mentioned so that while we treat and can and have the ability to treat with the external shocks we are also doing the necessary work to ensure that the economy is growing and that we are not too caught up with the external shocks and fearful, but we are doing what we have to do.

So as mentioned, you heard the Honourable Member for St. Patrick East talking about the need to adjust some of the measures so that it can influence greater implementation of Government's projects. We believe, Mr. Speaker, that the approach now to going forward in developing Grenada under the transformation agenda must not be hinged on trying to put sectors against one another to say the poor will not get because it's only the rich that's getting and to say well the poor should get and the rich shouldn't get anything. But it's to distribute the wealth of society equitably and in a just manner,

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and this amendment, this rather, a repeal and replace will do just that and will leave room further for adaptation. So we are not just leaving it at that, but this is why we have the cycles of negotiations, for example, with the unions, it's clear, it's precise, everybody knows when it must start, everybody knows when it will end. These things will help to make for a better society in terms of the planning of our finances and the planning of our development. So we know what we're doing. And I fully support the passage of this Bill.

Mr. Speaker, finally, I want to just touch on clause 14, which provides for the confidentiality of information. Now, part of our problem as we continue to develop the mind-set often remains the same. And, Mr. Speaker, coming, into office, we have observed and we have inherited a situation where governance seems to be an open sepulchre for some. In other words, most people believe that the responsibility of fiscal prudence and fiscal management resides with the Minister, or the Prime Minister, or a Member of Parliament, which is not true. When we talk about the Government, all of us must have a responsibility. Similarly, if, Mr. Speaker, any cabinet information is released, there's a clause or a responsibility that Cabinet Members hold and cannot do so.

So similarly, when people have to manage sensitive data that may have far-reaching implications and may have repercussions on a national level and can cause problems, there is a need, Mr. Speaker, to have these clauses and measures to ensure that the management and responsibility of that information is not put in the hands of people who are looking to destroy because we are interested to build up. As mentioned, our policy is simple: the elements that did not work in the past, we will take them and enhance them, fix them, make them better and make them more sustainable and resilient for the Grenadian people.

And so with these few words, Mr. Speaker, I again reiterate my full commitment and support to this Bill and look forward to the overall support. Irrespective of what people may say about it, and everything has weaknesses, essentially, it looked at some of the mistakes of the past, and it is an attempt to correct those and to build on them going forward. Thank you very much. **(Applause)**

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Mr. Speaker: Thank you, Honourable MP for St. George North East. MP for St. Andrew South West is it?

Hon. Lennox Andrews: Thank you, Mr. Speaker. Very pleasant, good afternoon to all. I want to say a good afternoon to my constituents from St. Andrew South West who are here with us, thanks for your presence. Mr. Speaker, I stand in full support of this Bill, and I will tell you why I say so. I want to begin with some definitions. It's important that we define what we are speaking about.

And I want to begin by defining the word "resilient". What is it to be resilient? To be resilient simply means to have the capacity to withstand, to stand up, to face, to cope, that's one aspect of it. But it also means you must have the capacity to recover and recover quickly when difficulties hit you. So you have to withstand it, know how to withstand it, face it, withstand it and then recover and don't take long to recover, recover quickly and try. Be resilient. And, Mr. Speaker, the way the world is nowadays, everything focuses on resilience.

So we speak about economic resilience. We speak about fiscal resilience. Yes? That's the word these days. So we have to define our work to achieve resilience, and our country, therefore, has to be resilient. A country has to be able to withstand whatever difficulty and they come in different forms you have external shocks, you have natural disasters because they would affect us and in most cases, these external shocks affect us negatively and when they affect us negatively we must be able to withstand it and overcome them and try. And that is what we mean when we speak about resilience.

So, Mr. Speaker, I suppose this Bill because as far as I'm concerned this Bill in its parts and in its clauses would have identified a number of fiscal performance indicators that will allow us to determine by our own performance whether or not we are resilient. And I have to stress, resilient, because fiscal resilience, because for us in the OECS the Organisation of Eastern Caribbean States that comprises all of us from Dominica to Grenada, St. Lucia, St. Vincent and so on, for us we have a saying, that in our economies everything is fiscal, everything is fiscal, which means that once the fiscal is right the

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economy is right and everything else is all right. So we have to make sure that our fiscal situation is resilient, you must get the fiscal right. And it means therefore that we must continuously take the correct measures and identify the correct indicators and monitor the performance of those indicators to ensure that we are fiscally resilient so that when an external shock hits us, we can withstand it, we can survive, and we can try and try quickly afterwards.

And so, Mr. Speaker, if you read reports be it from the IMF, be it from the World Bank, be it from ECLAC, Economic Commission for Latin America and the Caribbean, be it from the OECs what countries are doing these days are in fact taking measures to ensure that the economies are resilient as I would have defined what resilience really means. And therefore this Bill, as proposed, contains the fundamental elements which would allow us, from our performance, to we can determine whether or not we are indeed resilient.

So when we go to part two of the Bill, part two of the Bill, Mr. Speaker, makes reference to a number of performance indicators, a number of performance indicators, a number of fiscal performance indicators. And for these indicators, targets are set, and if you are able to meet those targets, it simply means that fiscally, we are resilient.

And therefore, I want to make some reference, Mr. Speaker, to some of these targets, these fiscal performance targets, and one of them is the wage bill. And the target says that the wage bill, the annual wage bill, for us to be resilient fiscally, that annual wage bill should not exceed 13% of our Gross Domestic Product. Now, I want to make a point here, I want to make a point here, Mr. Speaker. Because I heard the Leader of the Opposition say that, "The movement in the wage bill from 9% to 13% is an increase of 44%." Mr. Speaker, sir, this is not good mathematics. **(Applause)**

Mr. Speaker, I don't want to give myself undeserved merits, but indeed, I studied Economics, and if you have to study Economics, you have to study Mathematics, Statistics, Matrices, Probability, Econometrics, you have to study all these things. Good? And I know there is something called percentages, so if a number increases from 9 to 13 and you ask what percentage increase, then the percentage increase is 44%. Yes. But

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if you have 9%, 9% and you have 13% you don't speak about percentage increase, you speak about percentage points. **(Applause)** Percentage points. So what we have here, Mr. Speaker, is not a 44% increase because they are already in percentages, what we have here is a four percentage point increase. **(Applause)** So I want to make this point clear. Yes. **(Laughter)**

But more than that, Mr. Speaker, more than that, the Member also indicated, if I heard him right, that the wage bill is about 70 cents of every dollar, 70 cents of every dollar? ... It was 70 cents of every dollar. Well, I don't know at what point in time, but my recent calculations tell me that the wage bill has never gone beyond 40 cents of every dollar that we collect, never gone beyond 40 cents. Right. And the Wage, of course, is a recurrent expenditure, and there are four broad categories of Government recurrent expenditure: Wages and Salaries, Interest Payments, Goods and Services and Transfers and Subsidies. So if you collect a dollar from your tax revenue, and 40 cents goes into paying Wages and Salaries, you have 60 cents to go to pay the others, not so? And therefore, Mr. Speaker, this 13% of GDP would not, in my opinion, from my rough calculations, in any way make it difficult for the Government to meet its other recurrent expenditures.

In fact, Mr. Speaker, I would even go further from a pure economic point of view, and a pure economic analysis point of view, to indicate the performance of the Government. And if I had my way, I would introduce a new performance indicator in addition to what is there in the Bill, and that one is referred to as the Current Account Balance. And the Current Account Balance is the difference between your current revenues and your current expenditure. And your current revenues are your tax revenues and your non-tax revenues, yes. And I have already explained what your current expenditure is. When you subtract your current revenues from your current expenditure you obtain your current account balance.

Mr. Speaker, that current account balance from our numbers I would have recollected has always been positive and as high as 5% of Gross Domestic Product, which means that we have millions of dollars. Which means that the Government and

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our Government have been able to collect enough revenue, tax and non-tax, to pay Wages and Salaries, to pay Goods and Services, to pay Interest Payments and to pay Transfer and Subsidies and still have a lot of money left, we call that a surplus. And that surplus could go directly if you so desire, go directly into meeting your capital needs, good? It can go directly into meeting your capital needs.

In fact, the other indicator that is said here, the performance indicator of our fiscal resilience, makes reference to our primary balance of 1.5% of GDP. The primary balance is simply your recurrent expenditure excluding interest payments, good? And if it's 1.5% of GDP, it could be substantially large, which means in essence that you also would have a very large current account surplus, yes. And that current account surplus can go to meet your capital programme if you so desire. It could also go to meet your amortisation, your principal repayments. Good.

So, and this brings me to the next indicator, Mr. Speaker, which is the debt. The performance indicator for the debt, if you have to remain resilient, says that by the year 2035, our debt-to-GDP ratio should not exceed 60% of our Gross Domestic Product; presently, it's around 80, right? So what it means is that over the years, we are going to set certain targets that will bring the debt-to-GDP ratio to that level, and that is possible. Mr. Speaker, to the extent that we can achieve that primary balance of 1.5% of GDP which means in essence that you're going to have a sufficiently large current account surplus which can then be used to finance our capital programme then there will be no need if you so desire, there will be no need to incur debt, there will be no borrow to pay for our capital programme, if that current account surplus is sufficiently large you finance.

So the only reason why you incur a debt, Mr. Speaker, the only reason why you incur debt, you incur debt only to finance a capital programme, you don't go and borrow money to pay salaries. **(Applause)** You don't do that. Right? So, as long as our performance says that we have a primary surplus of 1.5% of GDP and we have a current account surplus of about 5% of GDP, we are resilient. We are resilient. **(Applause)** And the conditions are also being created for the debt-to-GDP ratio to count down over the years. Yes.

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So, Mr. Speaker, I support the Bill because the performance indicators that I see here are very similar to the performance indicators that other countries are now using to determine their fiscal resilience. They are pragmatic. They are practical. They are likely to be achieved. Good. And all that we have to do is to put the systems and structures in place and keep on monitoring them so that we can achieve those targets that are being set for us in part two of the Bill.

But, Mr. Speaker, I also want to comment that the Bill is a comprehensive Bill. I like it, it's comprehensive because it takes into consideration other factors that are important for us to achieve that resilience. So it made reference, Mr. Speaker, to incorporating our statutory bodies and our state-owned enterprises into the analysis because they are part of the overall consolidated public sector, so it allows for a portion to monitor them. It makes reference, Mr. Speaker, to strengthen our Statistics Department and make sure that our Statistics Department can provide the macroeconomic indicators that we need to make economic decisions.

And I'm saying to you, I'm happy to say that I'm getting some very important statistics right now from the department. I just received data on the CPI for the Statistics Department. I've just received data from our economic performance on the unemployment level, and the data is showing that the unemployment rate as of August is 11.9%. **(Applause)** 11.9% from 28% which was from August this year. **(Inaudible comment by a Member)** 11.9%, the unemployment rate. **(Applause)** From 28%. **(Applause)** I have it here! I have it here! I could show you! **(Laughter) (Applause)** More than that! More than that! The data I received from the CPI says that CPI the Cost of Living is now 1.9%. 1.9% down from 3.3% where it was at the same time last year. **(Applause)** So, putting all of that into context, the economy is doing well, we are doing well, and we are very much on the way to achieving the kind of fiscal resilience that we are working to achieve. Good? So we are doing well.

But, Mr. Speaker, I wanted to also mention the role of the Fiscal Resilience Oversight Committee that is going to replace the Fiscal Responsibility Oversight Committee and the importance of having that committee. I think my Minister would have

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read the terms of reference of that Oversight Community, right, and then the need for it to produce **(Sound of time bell)** the reports and to monitor... Thank you, Mr. Speaker, how much time are you giving me? **(Laughter)**

Mr. Speaker: Your time has expired. So I give you three minutes to wrap up.

Hon. Lennox Andrews: Yes, yes, yes, yes, yes, thank you, thank you, thank you, thank you. Right. That committee, Mr. Speaker, is extremely important in helping us to achieve those resilient targets. What the committee will do is that from time to time it will prepare its report, taking into consideration whether it reports on those targets and the extent to which the Government is fulfilling those targets, and make recommendations as to what needs to be done to keep us on track. And I'm happy with this present committee because this present committee, Mr. Speaker, is headed by one of the finest minds, finest minds, finest academic minds our country would have produced, good, objective, brilliant, well-experienced, good and we expect to get a full objective to keep us in check, yes, to keep us in check as far as our performance is concerned.

And again, Mr. Speaker, the Bill is comprehensive because it gives the role of the Minister for Finance to keep on always monitoring, staying abreast, knowing what is happening with the economy, with the fiscal performance and reporting to us so we are all as Ministers and we are all abreast with what is going on. Mr. Speaker, I am so happy that whenever I read this Bill, I feel young. **(Laughter)** I feel rejuvenated, good. I know what we are doing is good for the country, is good for the people, is good for our homeland, and it is good for all of us. And out of this, only one thing could come this good for Grenada. Thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, Honourable MP for St. Andrew South West. Honourable MP for St. Mark.

Hon. Dr. Clarice Modeste-Curwen: Thank you, Mr. Speaker. Mr. Speaker, I rise

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to make my contribution to the Bill as presented. And as my former colleague said, I want to be clear that we are not against the Bill. Because while it is different, I mean there are different words and terminologies but we are well aware that intention whatever the intention is to manage and I hope that this is the intention I can't swear for it, but whatever the intention, if the intention is to manage the nation's resources better, then how can we be against it? It is for the good of all of us, maybe we on this side might get a little spinoff from it, and the nation as a whole. So you know, let us not confuse the issue in this Honourable House that we are against it. We have said nothing against the Bill.

But what we are saying is words are one thing, action is a completely different thing, Mr. Speaker. **(Applause)** And so, therefore, I would like to see some results. My first thing is, Mr. Speaker, and I heard the Member for St. Patrick West, the Minister for Finance, say that in defending the reading of the Bill, and that's not my issue, whether it's read or not read, but my issue is the explanation.

The Member said, that if it is not read, the layman on the street will not understand. So if we come to this Honourable House, and we read some big words and we use a lot of metrics, as my dear friend, the Minister said... all the econometric, whatever it is. I don't know anything about that. If we say all these things and we read it, then the layman on the street is going to understand. Doesn't make sense.

And that is why I said before, and I lamented before in the last Sitting of this Honourable House, that there wasn't more consultation, so that the words could be broken down and the content and the context in which they were formulated could be explained to people like me, who don't have the metrics. And I hope that as time goes on, instead of the tribal war, that sometime, will be taken out to explain these things to the people.

But, Mr. Speaker, in the meantime, there are some things I don't understand. Because I heard the Member say that unemployment is going down. I heard about surplus. I heard about equity, and I don't want to be accused of not knowing what equity means. But how I translate it, it's that there is a basic spread of things so that the one from the top and the one from the bottom, even the one from the gutter, will understand,

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will get something out of it. And so, Mr. Speaker, what I hope is that we see some really strong actions that are going to support all of these things, so that a surplus can be passed around to some people.

And so, I'm asking that if people are going to start paying for the houses from January, why can't some of the surplus that this legislation is going to guarantee us be used to help a few? And, the Leader of Government's Business, the Member for St. George South East, I want to challenge you in particular through the Speaker, of course, Mr. Speaker, on this matter. I hear two prices, EC\$73,000 and EC\$55,000. I used a calculator because I can't work with this thing. I use it on my phone, and I work out the one for EC\$53,000. And I put all that EC\$53,000, and I put the 647 houses, and we're getting EC\$35m from that and the surplus from all of this, from these bills and all the measures we are going to take.

Mr. Speaker, you want to tell me that we cannot take some of that, all of the surplus we hope to get, starting from January and going beyond, to do something better for some of the indigent people? And I must talk about them. I mean, some people might forget their past, because I keep hearing people say they come from poor families, but how do you forget how poor people live? I, this, you know, this is puzzling to me, and so some people might have property that they could put up for things.

Some people don't have it, and it may be in part because they were careless. It may be so, and it may be because of certain extenuating circumstances. Some people are poor because of certain extenuating circumstances that put them there. And there are people who had a lot, and afterwards they didn't have, either they got sick, one lash of a sickness where you have to pay thousands of dollars. It could make you poor. So we must not treat this thing trivially as though it is this side for the poor and this side. No, all of us have to look out for the poor.

So, Mr. Speaker, there are some people who have applied for the house who cannot afford to pay. That is not my battle, they can afford to pay, they can go with the equity to the bank and yes. There are some people who have been waiting, because, and maybe we give them wrong expectation, I don't know who the blame is going to fall

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on, but the understanding, our understanding was that we have to make it accessible, so that persons who have a reasonable income can go to the bank and have some equity, some property that they can sign. Because sometimes you don't have the money, but you have the property to put up, and these people can go.

Have we analysed the percentage of people who cannot afford to pay? Have we looked at all the applicants and said, look 60%, 80% could afford to pay, let us see how much that is going to contribute to the budget, let us see how that is going to take care of the, the needs, the maintenance, the insurance, the security, all of these things and see if we can find some equity there, to give a chance to the poor and indigent (**applause**), who really genuinely need. And this is what I am not hearing. So we are not saying give it for free. I won't say that, and I stand by that.

Those who could afford to pay should pay, but I also stand by the concept and the notion that people who cannot afford to pay must be taken care of by every state, every country in the world, Mr. Speaker.

Mr. Speaker: Sorry, I wasn't seeing your light. Honourable MP for Carriacou and Petite Martinique.

Hon. Tevin Andrews: Yes. Thank you, Mr. Speaker. Mr. Speaker, I'm standing on a Point of Order, the relevance to the topic that is before us. We have a Bill that we're debating, the Fiscal Resilience Bill. What does this, what does housing and who is paying for housing and so on, have to do with this Bill that's before us, Mr. Speaker? Relevance. What's the relevance? If the Honourable Member wants to speak about it, there is a point in the Order Paper where those matters could be addressed, Mr. Speaker. But let us deal with the substantive matter that is before us.

Mr. Speaker: Agreed. Agreed, Honourable MP for Carriacou and Petite Martinique. I somehow think the Honourable Member for St. Mark sort of got distracted by what the Leader of Government's Business said with respect to housing, but as far as

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possible, Honourable Member, let's stick to the Bill. Let's stick to the Bill. Let most of the content be about the Bill, as far as possible.

Hon. Dr. Clarice Modeste-Curwen: Mr. Speaker, thank you. If it is in your judgment that I got distracted, I will concede. I do not agree, but out of respect for you as the Speaker of the House, I will concede. I do not think I was, though, but so be it.

Mr. Speaker, the linkage I was putting is, and I have heard persons say what the surplus will do, how the fiscal management proper will do certain things for the nation. So I'm going to take on housing, because the fiscal management and the surplus will not go for that for the poor, so I'll take it up. Let's take it up, so everybody will be, everybody will be comfortable. Everybody will be comfortable in this House.

The fiscal management, how do I explain where I would like to see some of the surplus go? I will. I'm taking out the housing. I'm taking out the SEED. So, Mr. Speaker, I just want to say that that money from the housing will also be, should be, subjected to fiscal management. And I look forward to seeing the equity, I look forward to seeing the empathy, I look forward to seeing the lenience that will be extended to certain vulnerable groups, as well as I look forward to seeing businesses and persons who have more, Mr. Speaker.

And, Mr. Speaker, I think you know, maybe I am distracted now, but I want to say finally, Mr. Speaker, that one of the concerns I have, and I hear that it will protect us from shocks such as maybe natural disasters and so on, Mr. Speaker. I will end with a question, because I know that we came into this Honourable House and we reduced the funding that was supposed to protect us from shocks from 40% to 10% in this Honourable House. So I hope that the legislation we allow us to use that 10% on whatever else to protect us from the shocks that are so common, natural and otherwise in the world today. How will we do that? I wait to hear the government explain that to us. I thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you very much, Honourable MP for St. Mark. Honourable

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Prime Minister.

Hon. Dickon Mitchell: Thank you, Mr. Speaker. Mr. Speaker, maybe I'm distracted too. **(Laughter)** Mr. Speaker, I will start by answering the last question. Mr. Speaker, the former administration passed legislation that said 40% of the funds from CBI should be placed in an, let's call it this way, a "Shock Fund". They never placed the money in the fund. So let's talk action. They never placed the money in the fund. So let's not play forgetful, to quote my distinguished colleague. So what we did, Mr. Speaker, was to be practical, reduce it and fund it. **(Applause)** So I think I've answered the first question.

And while we're on that, let's not play forgetful team, Mr. Speaker. Let's get a couple of things clear. So let's accept that from 2008 to 2013, when the former National Democratic Congress ran this country, this country was clearly in fiscal problems, but let's not forget, there was a financial crisis. And more importantly, let's not forget that the New National Party under the distinguished leadership of the now Leader of the Opposition had run the country for about 13 years prior to that. And let's not forget the enormous amount of debt that they borrowed, unsustainable debt, all kinds of scandals surrounding the debt that we, the taxpayers, are still repaying.

By the time the National Democratic Congress took office between 2008 and 2013, Grenada's debt-to-GDP ratio was already off the chain, to use the young people's language. And let me say this, well, you had to bring it down. It's called "poetic justice". If you borrow, you have to find ways to pay back. And how did we pay back? Not you bring it down. We, the taxpayers. **(Applause)** The Structural Adjustment Programme, which you imposed upon the backs of the people of Grenada **(applause)**, which we are still dealing with. And let's be real, Mr. Speaker, do you know what the current debt of this small island is? EC\$2.59b. That's what we and the generations of Grenadians to come have to pay back, borrowed largely when the Leader of the Opposition was Prime Minister.

So yes, the IMF and the World Bank forced him in 2013 to enter into the self-

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imposed Structural Adjustment Programme. He did not have a choice. He could pretend and say it's self-imposed and homegrown. He had to do it. And it's always amazing that someone wants to be called a "father", seems to walk out on his children **(laughter)** all the time. **(Applause)** He does not have the courtesy to even remain in the House to hear their contributions. If you want the respect of parenthood, give respect. If you want the courtesy of parenthood, give courtesy. If you really have genuine experience that you want to share with us, stay and share the experience. Don't, as soon as you don't get your way, pick up your bag and look like a little bully in the schoolyard playground, and walk out of the Honourable Houses of Parliament.

So, Mr. Speaker, let us be real, this debt-to-GDP issue, we like to talk about what's on the ground, has real consequences for the man on the ground. It is the enormous amount of debt that was borrowed by the NNP administration that forced the NNP administration to enter into a Structural Adjustment Programme, and forced it to enter into the Fiscal Responsibility Act. They were forced into doing it, because why? The international community said to them. If you do not have a rules-based fiscal framework, we will not help you out of the Structural Adjustment Programme. **(Applause)**

And so, yes, Honourable MP for St. Andrew North East, you had to enter into a Fiscal Responsibility Act, you had to implement a Fiscal Responsibility Oversight Committee to oversee the performance and the behaviour of the Government, because the past indicated that with no oversight, the NNP Administration would be reckless, would continue to borrow and will continue to take actions that will detrimental to the interest of the people of Grenada. So you were forced to do it, and it's been in place since 2015, but don't come here and pretend. By 2018, your administration knew that there were issues with the legislation, because by 2018, your Ministry of Finance started reviewing the legislation.

Perhaps it was lost on all of us, but my distinguished colleague from Carriacou and Petite Martinique gave the history of the review of the legislation. It was not done by us. It was only in 2020 that the IMF technical team conducted a final review, and so, they know very well that we are again presenting a Bill that was largely drafted already by

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them, and that we are doing and culminating, and I have no difficulty saying so. Work largely done by them, because we recognise that there are challenges with the Bill. There are ambiguities in definitions. There are conflicting rules, and there are too many rules.

And so, what they were seeking to do is to simplify the rules, so that we have two primary rules from a fiscal point of view that the government must comply with the debt-to-GDP rule, and that is critical to ensure that we do not borrow more than we can repay. Because when you borrow more than you can repay, yes, you will not be able to pay public servants. Yes, you will not be able to meet your commitments. And so, the goal here is to ensure that by 2035 our debt-to-GDP ratio is anchored at 60%.

We're also not going to hide, and that was part of the problem, hiding your debt, borrowing, doing all kinds of schemes to not show the public the actual amount of money that you're borrowing. And this is part of the transparency, not just central government debt, but also all statutory bodies and state-owned enterprises' debt. **(Applause)**

So, Mr. Speaker, I want to make it clear. The EC\$2.59b of debt is central government debt, but there's more debt. As of June, state-owned enterprises' debt totalled EC\$522.7m. And I want the public to understand something. This administration has, thus far, as of last week in Marrakesh, Morocco, only signed one major debt agreement, and that's with the Saudi Development Fund. So all of this debt that I'm talking about here, the EC\$2b in central government debt, the EC\$500m in state-owned enterprise debt, is inherited debt. That is what we have to manage. **(Inaudible comment by a Member)** Right. That's the debt the State of Grenada is facing.

It's not mine. It's not the National Democratic Congress's own, it's the taxpayers of the country, and therefore, Mr. Speaker, we appreciate. We appreciate that we need to be disciplined. We appreciate that we need to be transparent. We appreciate the need to send the right signal to our development partners that we have nothing to hide, that we are going to publish the data, that we are going to be transparent and that we are seeking to simplify the legislation so that the public understands in layman's terms.

I'm not speaking any economics tricks and whatever else. I'm speaking in layman's terms. And I think the layman knows that if you borrow more than you are receiving, you

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will not be able to repay. And if you can't repay, you know what will happen to the quality of your life.

So, Mr. Speaker, we all want to talk on the one hand, that is, legislation was good, because it allowed Government to pay public servants when we had the shock. That is why we need the legislation to continue. So why, on the other hand, are you trying to make it seem as if there is some mystery surrounding the legislation? You know there's no mystery surrounding the legislation. You know what it is designed to do, which is to make sure that the Government manage its fiscal affairs responsibly, so that it can meet its obligations.

And so that primarily, if it has a surplus, it doesn't spend it all, so that it can't meet shocks when they happen. If you make \$10 and you spend \$10 and then you get sick, yes, you won't have any money to pay your medical bills. But if you make EC\$10 and you only spend EC\$7 you have EC\$3 as a buffer, so that if you get sick or if you have a fire or there's some natural disaster, you have EC\$3 at least that can go towards it. That, in simple terms, if you want it in layman's terms, is what this Bill is designed to do.

(Applause)

And let me say this, Mr. Speaker, I'm going to quote from the distinguished and eminent economics, economist that my dear friend... there's so much economist and econometrics and even I am getting tied up, that my dear friend referred to. And I will quote the chair of the Fiscal Responsibility Oversight Committee, because a lot of times people want to talk about what boys and girls who don't know how to manage the economy and don't have experience, and who have 30 years' experience, and I'm quoting.

And this report, Mr. Speaker, should be laid, I'm sure it's been laid by the FROC with this House. And I'm quoting, "As part of its monitoring function, the Fiscal Responsibility Oversight Committee monitored the government's operations and examined the fiscal and debt reports of the central government for the first half of 2023. Based on the published fiscal reports as of the end of 2023, the central government accounts were assessed to be in line with the fiscal targets for 2023 that were presented

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to the Parliament on 5th December, 2022". That is what FROC is saying, **(applause)**, not what economics is saying.

In the 2023 National Budget, central government operations were estimated to result in a growth in real primary expenditure of -9.1%. Meaning we are spending less. A wage bill of 8.9% of GDP, the current rule is 9%, so we were within the current rule. A primary surplus of 3.6% of GDP, and a debt to GDP ratio of 64%, except for the stock of public debt, the fiscal outturn as of 30th June, 2023, was estimated to be in accordance with the target set out in the Fiscal Responsibility Act. **(Applause)** In simple terms, we are compliant.

And let me take the concluding recommendations from the FROC, because the FROC itself, Mr. Speaker, the FROC itself, and I want to make it clear, Mr. Speaker, because sometimes we know better, and we are always trying some gimmickry. There are two ways to pass legislation. You could amend the existing Bill, which oftentimes makes it difficult to follow, because you're making multiple amendments to the Bill. And when you're making multiple amendments and it becomes difficult to follow, there's probably a need for a neater way. You repeal the old Act and you pass a new Act.

But the new Act is always predicated on the old Act. And you will go through and see that significant portions of the old Act, which we are looking at, are in place. So FROC itself recommended, as opposed to multiple amendments, that we do a repeal and replace, and the Cabinet, by its policy position, adopted the recommendation of FROC. So when we talk about consultation, again, the consultations have been going on since 2018. At some point in time, you have to act and make decisions.

So FROC itself says, "As the Government reforms the Fiscal Responsibility Act, the FROC recommends that the reformed Act be simple, so that a layman can understand it, consistent, so that it is consistent with the debt, Public Debt Management Act and Public Finance Management Act, to make sure the definitions are the same and consistent, and easy to implement and monitor". Who's implementing? The Minister for Finance, the Ministry of Finance. Who's monitoring FROC? So, even FROC wants to ensure that it is able to monitor an Act that is simple, consistent and easy to monitor.

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Additionally, the Act should provide for fiscal and debt sustainability, but with adequate flexibility for the government to manage and transform the economy. So, for example, Mr. Speaker, under the existing legislation, we had COVID-19. The Governor General or the Government, at certain points, declared states of emergency. It allowed the Minister for Finance to escape or suspend the rules. So they didn't have to worry about the debt-to-GDP ratio. They could continue borrowing, because we recognised there was an emergency. They didn't have to worry about any of the other rules. The problem with this is that it didn't say when it should end. It didn't say when it should end. Right. And that is part of what we are trying to fix.

Because you don't want to give the Government a carte blanche to use it as an excuse to say, well, boy, we have an emergency, or we have this, so we're suspending it, and we don't have to comply with the rules. And what we sought to do is have very specific rules as to when the Minister for Finance can exercise his discretion to suspend. And you would see the Act proposes the suspension is for one year, and you have to come back and get an affirmative resolution in this Parliament, if you want to go for another year.

So we are increasing the oversight. There was no such oversight in the existing Act. So the then Minister for Finance, the Honourable Gregory Bowen could just suspend it, and leave it open ended, right, and then have an election budget, as my friend on the right pointed out, in the hope that you could use the surplus to woo the people of Grenada to put you back into office. So we are saying, even... we could continue it, Mr. Speaker, it's to whoever the incumbent is, an advantage, to leave it open-ended.

What we are imposing, the very same restrictions and rules on us, to make sure that there is fiscal discipline for the benefit of Grenadians, regardless of whether you have elections or not. **(Applause)** And it's for the same reason we are saying, don't try to fool public servants, or other government employees when there is no Parliament in session, between elections, so that you can quickly sign a union agreement, and collective bargaining and bring it to them. And after you sign it, and they put you back in office, you turn your back on them and say you're not paying what you agreed to. And they have to

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walk up and down in the hot sun to get the little 4% that you agree to pay them, and which you are now admitting during the COVID-19 period, you had the surplus to pay.

So, Mr. Speaker, the Act is designed, and that's why the name changed, to ensure that regardless of the circumstances that we have to meet, warfare in international community, pandemics, natural disasters, financial or other economic crisis, that the economy and in particularly public purses are managed prudently, sustainably for all Grenadians. And yes, eventually when the Housing Authority recovers some funds from the sale of the units, it will be in a position to use those funds to build more houses for the people of Grenada who desperately need housing (**applause**), and who we didn't seem to know that they need housing over the last 30 years of the administration.

So, Mr. Speaker, I commend the Bill and I support it. I want to publicly put on record my appreciation for the tremendous work done by, yes, the public servants and the civil servants at the Ministry of Finance. Thank you. (**Applause**)

Mr. Speaker: Thank you, Honourable Prime Minister. And now, Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. Mr. Speaker, I, first and foremost, want to express my appreciation to Members on both sides of this Honourable House for their contribution to this Bill. I also want to state, Mr. Speaker, that this Bill and any other Bills for that matter, Mr. Speaker, it's not just lots of words, not just a lot of, lots of words. It is legislation. It is the law, in making, that we must hold ourselves accountable to, as leaders. Because if we have that attitude, Mr. Speaker, in our Parliament, that when we cry out legislation, that it's just words and we're not holding ourselves accountable and obedient to the law, as if we're a law unto our own selves, Mr. Speaker, it will be a very dangerous precedence.

Mr. Speaker, this is one of the most significant piece of legislation being crafted that will help to shape the economic future of our beloved nation. Included in this legislation, Mr. Speaker, is the matter of transparency and disclosure. Those ingredients,

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Mr. Speaker, add strength to the legislation. The people can go online. They can see this legislation. They can see the reports that will emanate from this legislation, and as a result of that, we will be wiser as a nation and keep our leaders in check at every stage of this.

So Mr. Speaker, with these few words I wish to thank again, the Members of this Honourable House for adding the voice to this debate and I know commend this Bill to the House for its second reading. Thank you. **(Applause)**

Question put and agreed to.

Bill read a second time.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Mr. Speaker, I beg to move that the House resolves itself into a Committee of the whole House to consider the Bill Part by Part or Clause by Clause. Thank you.

Question put and agreed to.

House in Committee

House resumes.

Mr. Speaker: Honourable Members, I have to report that the Bill was considered by a Committee of the whole House and passed without amendment. Leader of Government's Business.

Hon. Philip Telesford: Mr. Speaker, I beg to move that the Chairman's Report be adopted.

Question put and agreed to.

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Chairman's Report adopted.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Mr. Speaker, I beg to move the third reading of the Bill.

Question put and agreed to.

Bill read a third time and passed.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Thank you Mr. Speaker. Mr. Speaker, Public Debt Management (Amendment) Bill, 2023. I wish to commend this Bill for its second reading to the House. Thank you, Mr. Speaker.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. So, Mr. Speaker, Public Debt Management (Amendment) Bill, 2023. This Bill Mr. Speaker, contains three clauses. Clause 1, Mr. Speaker, speaks to the title of the Bill...

Mr. Speaker: Honourable Member, can u approach the bench, please?

The Speaker, the Clerk and the Leader of Government's Business converse privately)

Mr. Speaker: Please proceed, Leader of Government's Business.

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Hon. Philip Telesford: Thank you, Mr. Speaker. So, clause 1 speaks to the short title for which this is the Bill, Mr. Speaker, and clause 2 seeks to amend section 2 of the Bill. But, Mr. Speaker, this Bill sets out, as its main objectives, the amendment of or the revision of the definition, Mr. Speaker, of public debt as the main objective of this particular Bill.

Mr. Speaker, clause two seeks to amend section two of the Principal Act by repealing the definition of contingent liabilities, public debts and private and public private partnership and substituting therefor the following new definitions. The new definition, Mr. Speaker, for contingent liability, means financial obligations which arise by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Central Government, and includes debt guarantees, demand or price guarantees, and termination clauses or other default provisions that could imply a transfer of liabilities to Central Government, including financial obligations arising as a result of or in connection with public-private partnerships, but excludes letters of comfort. That was Contingent Liabilities.

The new definition Mr. Speaker, for public debt includes all direct liabilities of Central Government, Statutory Bodies and State-Owned Enterprises, including advances, arrears, compensation claims, finance leases, Government securities, loans, overdrafts, promissory notes, and supplier's credit agreements and contingent liabilities, including explicit contingent liabilities arising as a result of or in connection with public-private partnerships.

Mr. Speaker, the definition for public private partnership or the new definition, Mr. Speaker, for public private partnership means a long-term contract between a private party and Central Government or a Statutory Body of a State-Owned Enterprise. And that long-term contract will be for the provision or management of a public asset and associated services, which shall be on terms and conditions which have been approved by Cabinet. I'm certain those definitions, Mr. Speaker, are within the appropriate order in the Schedule.

Borrowings, now, Mr. Speaker, under this definition would include the creation of

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debt obligations by the public sector through any means, including advances, loans, overdrafts, Government securities, the payment of arrears, finance leases, and so on, and so on, and so on.

And explicit contingent liabilities mean an illegal obligation for Central Government to make payments only if a particular event occurs.

I moved to clause 3, Mr. Speaker. Clause 3 of the Bill, Mr. Speaker, seeks to amend section 12 (1) (a) of the Principal Act by deleting the words “public sector” and substituting therefor the words “Central Government”. In this context, Mr. Speaker, Central Government means every branch, ministry, department or agency of Government and includes all special funds established and maintained by Government under the Consolidated Fund.

So, Mr. Speaker, in essence this is the amendments that are being offered to sort of strengthen the Bill and broaden the scope of what we call debt or public debt in respect of the legislation and it is consistent, Mr. Speaker, with the other two pieces of legislation which is being piloted through the Parliament. Mr. Speaker, I now take this opportunity to commend this Bill for debate, and I ask this Honourable House for its support in this Bill. Thank you.

Mr. Speaker: Thank you, Leader of Government’s Business. Honourable MP for St. Andrew North East.

Hon. Kate Lewis-Peters: Thank you, Mr. Speaker. Mr. Speaker, I rise to give the reason why I will not support this Bill. Mr. Speaker, when we look at section 2 (a) of the Bill that defines the term public private partnership and when we go back to what the definition was when the public private partnership was established back in 2015, this new definition has basically removed an important part, Mr. Speaker.

In 2015, when the Grenada National Public Private Partnership (PPP) was established, in consultation with social partners’ regional and international partners, Mr. Speaker, a robust framework was established for projects throughout their whole life

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cycle, from the identification of projects to the implementation. And in the definition, it clearly indicated that a significant portion of the risk of those projects would be borne by the private partner, not the Government. Mr. Speaker, this part is clearly removed from this new definition.

Furthermore, approval of these projects in this new definition, as proposed, is done simply by a mere Cabinet approval. When we have Contingent Liabilities to be borne by the State, I believe that a mere Cabinet approval alone should not give authority to such a project, Mr. Speaker. **(Applause)**

So I asked that this be reviewed before we proceed, and that is why I cannot support this Bill at this time. Thank you, Mr. Speaker.

Mr. Speaker: Thank you, Honourable MP for St. Andrew North East. Honourable MP for St. Patrick East.

Hon. Dennis Cornwall: Good afternoon again, Honourable Speaker of the House. I rise in full support of the Public Debt Management (Amendment) Bill, 2023, for the mere reason that over the years, we have always talked about public debt, meaning Central Government Debt only. In other words, whatever debt was incurred by the Government was covered, notwithstanding that we had our state owned enterprises, we had our statutory bodies who were not adequately supervised and entertained back then, going out and making debts on behalf of themselves, which if those debt fall into difficulty obviously the Central Government would have had to take it up.

Even as we passed earlier this morning, the new Fiscal Vigilance Bill clearly states that we are looking forward to ensuring that we bring on board proper management of the statutory bodies and state-owned enterprises, as well as PPPs. And so I have no difficulty in seeing that Government adhere to what is being proposed and that is to bring the so-called Central Government debt or public debt to include the PPP's, state owned enterprise, statutory bodies and Central Government under one umbrella, so that when we reporting the debt of Grenada, Carriacou and Petite Martinique we all know that we

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talking about all this inclusive parts of it and so on and therefore I will lend my support fully to that.

I also want to go further and say that in recent times we have set the series of programmes to strengthen the statutory bodies and state-owned enterprises and by doing so, we've had what you call a Corporate Governance course conducted by the Eastern Caribbean Security Exchange as well as the Corporate Governance Institute of Canada, whereby we provided members of the various boards with information that will basically provide them with the tools that they need to run and manage this public entities in a very prudent and efficient manner. Therefore, I believe once we have done that we ought to take steps now to ensure that when we consolidate all the debt of the country, we'll be all talking about the debt that is due by the Government, the debt of statutory bodies, the debt of state owned enterprise as well as PPP's. So I make that interjection here. Thank you. **(Applause)**

Mr. Speaker: Thank you very much, Honourable MP for St. Patrick East. Honourable Prime Minister.

Hon. Dickon Mitchell: Thank you, Mr. Speaker. Mr. Speaker, the realities, and that's why we talk about transparency here. The intent is to make sure that when we report and that when the physical framework is looked at, that we take account of all state and Government debt, not to hide some of it, to take into account all of it so that the state, the Government, state-owned enterprises, statutory bodies and the citizens are aware of the true extent of the public debt and that we can manage it prudently. Because the worst thing is to think your debt is EC\$5 only to discover that it is EC\$10 because, through some hidden or unknown or disclosed instrument, for example, a public-private partnership, you discover that you have more debt than you were actually bargaining for.

This is not intended to authorise the Cabinet to enter into a public-private partnership. Cabinet has the right to do so of its own. It's the executive decision-making arm of the state. It can contract, once the necessary procurement rules are complied

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with, with any entity, and by doing so, especially if it's a private entity, you can create a public-private partnership. So this Bill isn't authorising it to do so. Cabinet has the ability to do so as we stand.

What we are saying is that if the Cabinet chooses to do so and there are liabilities or debt obligations arising to the state as a result of entering into a PPP, we need to make sure that the fiscal framework covers this. That is all that it is doing. And as I've said, all of the debt that we currently treat with is that incurred by prior administrations, and so we need to make sure that we have a complete understanding of the extent of our debt because that's the only way in which you'll be able to properly manage it, so it follows, Mr. Speaker.

The amendment there has to be consistent with the other two pieces of legislation that we've proposed and which have already been passed, to ensure that there is consistency when reviewing the extent of Government obligations, and that will always include circumstances where the Government is in a PPP with an entity. So, Mr. Speaker, obviously, I say those few words to support and commend the Bill to the House. Thank you. **(Applause)**

Mr. Speaker: Thank you very much, Honourable Prime Minister. Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. Mr. Speaker, I wish to again express my appreciation to Members for their contribution to this Bill. I just want to add one little piece of clarification, Mr. Speaker.

Mr. Speaker, that is why we actually take the time to study these Bills, the old Bill and the new Bill. It is important, Mr. Speaker, that we study the contents of these instruments so that we can make proper decisions. The Member speaks to the inclusion of contingent liabilities in the definition of debt. If we were to refer, Mr. Speaker, to the old definition of public debt as per 2015, it includes every single thing in this new definition except for explicit contingent liabilities. So, "contingent liabilities" is included to begin with.

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So to say that I will not support it because contingent liabilities are included, that's not really making sense because it is already there. The previous definition, though, explicitly said that it excludes explicit contingent liabilities.

So Mr. Speaker, if you are rationally thinking, if you were to include contingent liabilities and not include explicit contingent liabilities, when you look at the definition of what it really means, it does not add up it doesn't make sense because contingent liabilities, Mr. Speaker, speaks to the occurrence or non-occurrence of one or more uncertain future events. But, Mr. Speaker, explicit contingent liabilities mean legal obligations for the Central Government to make payment if a particular event occurs.

So it is more direct and more specific. There is already a legal obligation, what we call the present obligation, there is already an obligation because something has happened. For example, the court has ruled that there is a present obligation to make a payment because there was a commitment. And so explicit contingent liabilities had to be included because it is a more direct responsibility of Central Government to honour an obligation that had already occurred.

So, Mr. Speaker, I say this to add a little clarity and hopefully by so doing we will get greater support on this Bill. Once again, I wish to thank all Members of this Honourable House for the discussion on this Bill. Thank you very much, Mr. Speaker, and I now commend this Bill for second reading.

Question put and agreed to.

Bill read a second time.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. Mr. Speaker, I beg to move that the House resolves itself into a Committee to consider this Bill, Clause by Clause. Thank you.

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Question put and agreed to.

House in Committee

House resumes.

Mr. Speaker: Honourable Members, I have to report that the Bill was considered by a Committee of the whole House and passed without amendment. Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. Mr. Speaker, I beg to move that the Chairman's Report be adopted.

Question put and agreed to.

Chairman's Report adopted.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Mr. Speaker, I beg to move the third reading of the Bill.

Question put and agreed to.

Bill read a third time and passed.

Clerk Assistant (Ag.): Item 16 – Request for leave to move the adjournment of the House on matters of Urgent Importance.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Mr. Speaker, I beg to move that the House be adjourned *sine die*.

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Question put.

Mr. Speaker: Leader of Government's Business.

Hon. Philip Telesford: Thank you, Mr. Speaker. Mr. Speaker, I just want to very briefly provide some information as far as equity is concerned. Mr. Speaker, equity refers to the difference between your assets and your liabilities. Equity is another word for capital, that's the value of things that you own.

Mr. Speaker, if someone were to do a quick calculation of an amount of EC\$250 a month for one year, paying every month, that is EC\$3,000. If you continue to do that faithfully for the next 20 years, Mr. Speaker, which is generally the term of a mortgage loan, that would give you EC\$60,000. Mr. Speaker, if you were to compare that with renting, there isn't anywhere in Grenada where you can get rent for EC\$250 a month. That's not possible, but you can own a housing unit for EC\$250 to EC\$350 a month, thereabout. If you were to take EC\$350 a month, Mr. Speaker, for the next 20 years, that is EC\$84,000. We cannot find a rent to compare, so it is either you own it or you rent, but you must find some place to live.

The Government of Grenada, Mr. Speaker, is providing people with the opportunity to own something. It becomes yours. Nobody can chase you out of it as long as you continue to faithfully pay your dues. It is very different to that of a rental agreement, and, Mr. Speaker, as intelligent leaders, we ought to know the difference between renting and owning. We ought to know the difference between a transfer of wealth versus paying a rent for the rest of one's life, and we owe it to the Grenadian population, especially our low-income earners, not to play politics with this thing.

It is extremely important, Mr. Speaker, that people understand the difference, and as leaders, we ought not to mislead people. EC\$250 to EC\$350 thereabout, and even if it's a little more, even if it's EC\$400, Mr. Speaker, you still cannot find a rent anywhere for that and if you were to find rent for that, Mr. Speaker. You match an apartment for EC\$400 if you were to find that, compared to what is being offered, it cannot be compared.

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There is absolutely no comparison.

This Government, Mr. Speaker, is transferring wealth to people, they can use this value to maybe start some small business, as security or send their child to school to multiply their own resources so that in the future, Mr. Speaker, within a short period of time, they can be transitioned from a state of poverty to that of prosperity and this is what the NDC Administration in office under the Leadership of Prime Minister Dickon Mitchell is doing, let us not miss this opportunity. Thank you very much, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you very much, Leader of Government's Business. Honourable Prime Minister.

Hon. Dickon Mitchell: The risk of giving each of us some acid reflux because it's almost 2:00 p.m., I feel compelled, Mr. Speaker, to first of all commend the Leader of Government's Business for his sterling presentation to the Honourable House when he presented his Ministerial Statement **(applause)** specific in relation of Housing and for his additional clarification that he raised in the question of equity. But, Mr. Speaker, I am at the risk of being political, I will be so because I want us to be accountable to people.

These homes were completed at least one year, and in some instances, more than one year before there was a change in administration. So my learned and distinguished friends had the opportunity to craft any policy they wanted in relation to these homes. They could have given them out if they wanted to. They could have rented them if they wanted to. They could have sold them if they wanted to. They could have done a combination of all three. They kept them locked up under secured keys. The public couldn't even go.

I went to the Corinth Housing Scheme. I was not permitted to enter. The security guard told me I cannot even come onto the compound. Why? Why, Mr. Speaker, wait for almost a year and a half and then, miraculously, in the case of Carriacou and Petite Martinique, a mere weeks before the election, you hurry down some scurry names and issue some letters and tell people you're putting them in the apartments. Why?

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So when we come here and we talk about we care about people and some people can't afford, of course, we know some people can't even afford the EC\$250. You were in administration for nine years. What did you do? COVID-19. What did you do? So, Mr. Speaker, we accept that the housing situation in Grenada is dire. We accept that the responsibilities now fall to us to try to address the situation. But let us be real, Mr. Speaker. If... And there are many people. You could just go down St. John Street, and you can see people on Melville Street sleeping in the bus terminal. You can go on St. John Street and see people sleeping. There are homeless people all over Grenada. Have we constructed homeless homes in the last nine years to house them? No. So let's really talk about the poor and vulnerable now. Have we constructed homes to deal with the addicts, whether it's alcohol or drug addicts? No.

So, Mr. Speaker, we recognise that it is the Government's responsibility to try and address the housing situation for those who are most vulnerable. These apartments, respectfully, Mr. Speaker, are not the ideal home setting for doing so. And there are obvious reasons why they are apartment-type, three-story buildings that our culture and our historical practices are not used to. We are not used to three-story buildings. We are not.

And therefore, if you are going to ask some of the most vulnerable, for example, persons in their 60s and 70s, to go into those buildings, it would not suit them. When the buildings were constructed, no laundry facilities were put in place, so where is a 65-year-old or 70-year-old going to? They can't use those. So we obviously, Mr. Speaker, we have to find alternative housing arrangements to treat with it and so what this initial phase two is meant to do is to give, persons who, yes are at the lowest income, but who are employed, an opportunity to own a home so that it is theirs, so that you're not beholden to some MP or caretaker or some no good politician who want to basically tell you, rent and I could always throw you out if you don't vote for me or put you in a building with no arrangements for the common parts of the building to be maintained.

Who is maintaining the hallway? If you're in a three-story building and there is a leak on the top floor, who is maintaining the roof, and who is maintaining the steps? Who

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is maintaining the common facilities? The grounds. You could go to Soubise, you could go to Mt. Rush and see that. That is the policy that failed. Because if you put people into a building and there is no policy or no resources to maintain it, to care for it, it will deteriorate amongst them, and they will still end up with nothing, even if they paid rent and you keep them poor. That is what it is designed to do; keep them coming back to you. All of us, Mr. Speaker, grew up. All of us grew up, for the most part, in wooden homes. We aspired. We had some ambition. Our parents, the villages, and the people encouraged us. Some people would start by building their own little brick and continue, and continue.

So, Mr. Speaker, we recognised there are many citizens who, not just by happenstance or by luck or by sickness, but by deliberate government policy have put them in a position where in their 30s and 40s they do not have the opportunity to own a home and they do not have the opportunity to buy piece of land. Deliberate government policy by this former administration.

So when you hire people and you keep them as IMANI's at EC\$700 for 10 years, of course, they will never be able to own a home or afford. **(Applause)** It's not a sickness. It's not an accident of birth. It's deliberate government policy, so you have to come back all the time. How are you going to own a home? So, when we are giving them the opportunity now to pay EC\$250 to own their own home. That is what empowerment is about. **(Applause)**

So don't come into this House and play self-righteous about some people can't afford. If you employ people for 10 years and call them IMANI, keep them temporary, don't even pay NIS for them, you can fire them at-will, they can't even buy food, so we don't even need to talk about housing. And you are telling them and their children that that is their lot in life, that they are destined for that. And I keep saying this, with these policies, would you put your children on it? Are you going to send your child to become an IMANI? Are you going to accept that it is okay for your child to work for EC\$700 for 10 years for the state of Grenada?

Mr. Speaker, let's be clear here, with the exception of the Honourable Member for

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St. Patrick West, the reality of Grenada today was created by the distinguished Leader of His Majesty's Opposition. He ran Grenada for 23 years. That's two short of a quarter century, and if it's good policy, we live with it. If it's bad policy, we live with it.

The fact is, outside of the dear and kind assistance of our friends from the Republic of China since Hurricane Ivan, it will be 20 years next year, and there has been no Government Housing Programme that has built homes. There is one that has attempted to help people repair their homes, and what has that done? It gives you EC\$17,000 if you're approved, and it is random. It is arbitrary, and it is political. That is what we've inherited.

So if it is EC\$17,000 worth of material, and it can't complete the house, too bad for you because you're still in the same position. And as a state, you will end up spending millions and millions of dollars, and still look around, and people's housing stock has not improved, and as the minister said, it is not just about housing, it is about building communities.

So we like to politicise everything. We like to pretend to people that we care about them, but we don't live like them. We don't live in the same place they live. We certainly don't eat like them. We are not sending our children to the schools that they are going to. So don't come in here and pretend that we're self-righteous. I go by them.

Last Friday, I took the Housing Coordinator, or whatever title he has, to a village in La Calome, and he said, "PM, people living here". I said, "Keep walking". And when he went through the track, he saw the three, four, five and six houses. I was like "Yes, people living here, and I want you to come and I want you to go into the house with me so you see the condition that people live in". And as people would say, "His skin crawled" when he saw the condition. So that is what we are dealing with here.

So don't come with this talk and make it seem as if we don't understand the plight of the people who are poor and vulnerable. We understand the plight. We understand that we need to help them get out of it and not exploit them. **(Applause)** So, nobody doesn't know poverty as I know it, but poverty is not an excuse for not having ambition, for not having pride. It is not an excuse for insisting that our people live in unhygienic

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circumstances, and for encouraging them to do better and encouraging their children to do better.

And you could give people EC\$50 for the rest of their lives, they would still be poor. Or you could give them a house and give them an opportunity to be responsible, give them an opportunity to take pride in what they have and pass it on to the next generation, so that Grenada can go forward, not stay in the muck and grow the percentage of the population that gets poorer.

It baffles me, Mr. Speaker, that I never hear the conversation about moving people from the poor (**sound of time bell**) to the middle class or from the middle class to the upper class. It is always about the poor. So you're stuck, and on that note, Mr. Speaker, we will become unstuck, we will move forward, and (**applause**) and we will grow people from out of poverty into prosperity as was so eloquently put by the Leader of Government's Business. Thank you, Mr. Speaker. (**Applause**)

Mr. Speaker: Thank you, Honourable Prime Minister. Honourable MP for St. Mark.

Hon. Dr. Clarice Modeste-Curwen: Thank you, Mr. Speaker. Mr. Speaker, I just rise to make a couple of comments. Mr. Speaker, I am not responding to a question, but I have a different view, and I just want to give my view in terms of... And the question was posed, what have the NNP Government done in whatever number of years in terms of housing, and I want to say.

First of all, the New National Party Government negotiated the phase one and the phase two that we're talking about, and it was put as a priority (applause) while the "Other Government" of the day, which came after, said, "Let's build a stadium with it. Let's build hotels with it." The NNP Government was able to negotiate 2,000 houses and get two stadiums (**applause**); an athletic and a cricket stadium, and hotels are being built. I am sure some representatives would benefit from those hotels that the NNP negotiated.

So it's a spin-off. It's a spin-off; what was negotiated is being benefited now.

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Phase one, less we forget, and if there is an indictment concerning phase one, phase one was distributed in whatever state it was to whomever it was given, and the follow-up was not by the NNP Government, and we need to find out that and get our facts straight. It was not.

Secondly, Mr. Speaker, I want to say we vilify the IMANI Programme and we don't talk about the poor IMANI's who have risen from poverty to middle income **(applause)** and to upper income with excellence in this tri-island state; Grenada, Carriacou and Petite Martinique. **(Applause)** There are many examples, and my sister on the "Other Side" knows it very well. There are IMANIs who have excelled. Yes, there were some who stayed back, but there are many who have done well, especially in the tourism industry, who have become all kinds of executive chefs and all kinds of managers of departments and in other areas. But all we do is attack the IMANI people as the poorest in Grenada, but they are not, and a lot of them have risen.

A number of persons have risen from the SEED Programme to places of a higher level because they were sent to school **(applause)** in the SEED Programme; secondary school, TAMCC, SGU. They were given the tuition fees, and they were given support for transportation. Every constituency in Grenada, Carriacou, and Petite Martinique has persons who have benefited **(applause)**, and they have reached a level of excellence.

We did have housing projects under the NNP. Under the NNP, we had the Diamond Housing Project. You see, they don't want to talk about it because they love to say nothing happened in Diamond. Under the NNP, your humble servant, two housing projects for middle-income. And also I hope that our sister on the "Other Side" can tell them about the other housing project in Dunfermline in St. Andrew that was not a three-story, low-income project.

If there were mistakes that have been made in terms of having people pay and so on, then maybe it is not the blame but maybe the lessons to learn from that so that we can give those who can afford to pay the EC\$250 or the EC\$400 but we must also leave a little something for those who cannot afford to pay. **(Applause)** Regardless of what we do, the poor will always be with us, and the 2,000 houses would benefit a lot of

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Grenadians, and they would have a better quality of life.

And all of the houses with the toilets and the bathrooms would give a better quality of life for Grenadians, too. So even if we can't do a big housing scheme, I want to advise the Members on the "Other Side" to look at that too, and continue the house repair programme with vigour. At one time, we used to do it with ply, and then we said ply can't work, let us do it with board, maybe later on it might come to wall or concrete board or something, and we were building toilets and bathrooms.

So we have done a lot in terms of the housing, we have done better than some countries that have more resources than we do, and I just look forward to seeing a little bit... and I am not talking about equity between the property you have and the money. There is another concept of equity, but some balance in what was done for those who can afford and those who cannot afford. I thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, MP for St. Mark.

Question put and agreed to.

The Sitting of the House adjourned sine die at 2:03 p.m.

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