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OFFICIAL HANSARD REPORT

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Hon. K. H. Randolph Horton, JP, MP
Speaker

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BERMUDA HOUSE OF ASSEMBLY**OFFICIAL HANSARD REPORT****5 JULY 2013****10:01 AM***Sitting Number 18 of the 2013 Session*

[Hon. K. H. Randolph Horton, Speaker, in the Chair]

PRAYERS

[Prayers read by Hon. K. H. Randolph Horton, Speaker]

CONFIRMATION OF MINUTES**14 JUNE 2013***[21 and 28 June 2013 deferred]*

The Speaker: Good morning, Members. We have confirmation of the Minutes of June 14th, 2013. Members should have received the Minutes.

Are there any objections to those Minutes being confirmed?

There are none.

The Minutes are confirmed.

[Motion carried: Minutes of 14 June 2013 confirmed.]

The Speaker: The Minutes for June 21st and 28th will be deferred.

MESSAGES FROM THE GOVERNOR

The Speaker: There are none.

**ANNOUNCEMENTS BY THE SPEAKER
OR MEMBER PRESIDING****APOLOGIES**

The Speaker: Absences—we understand that two Members, MP Susan Jackson and MP Zane De Silva, will be absent today.

For the information of the Honourable House, I would like to inform you that I did receive a message from the Honourable Patricia Gordon-Pamplin, the Minister of Health, in reference to flowers which she received relating to the passing of her mother. She is very thankful for those flowers, and she also sent to us a picture of the flowers.

Finally, we would also . . . I would like to take this opportunity to inform Members of the House that Mrs. Ford, who works with us, has lost this week her sister, Ms. Judith Harvey. And so, the House will send

condolences to Mrs. Ford and her family on the loss of her sister.

MESSAGES FROM THE SENATE

The Speaker: There are none.

**PAPERS AND OTHER
COMMUNICATIONS TO THE HOUSE**

The Speaker: No papers and communications.

PETITIONS

The Speaker: No petitions.

STATEMENTS BY MINISTERS

The Speaker: The Chair will recognise first the Honourable Sylvan D. Richards, Minister for the Environment.

Minister Richards, you have the floor.

SKINK RECOVERY PROGRAMME

Hon. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

Mr. Speaker, I rise this morning to report to the Members of this Honourable House and the people of Bermuda on the ongoing efforts of the Ministry of Environment and Planning to preserve the Bermuda rock lizard, or, as it is better known, the Bermuda skink.

Mr. Speaker, unfortunately the urbanisation of the Island that we are so privileged to enjoy comes with an environmental cost. It is the responsibility of the Ministry of Environment and Planning to do its best to mitigate these challenges and to do everything in its power to preserve all that we can for future generations.

Mr. Speaker, a lifeboat can be defined as a small boat kept on a ship for use in an emergency. This same philosophy is being used for the conservation of our unique and threatened species. While every effort is being made to safeguard the species on-Island, the Department of Conservation Services has been *actively* seeking assistance from international

partners to ensure that Bermuda will never lose its unique species to a manmade or natural disaster.

Working with our international partners, and at no cost to the Government, I might add, we have sent representatives of our at-risk species, such as the killifish, Governor Laffan fern, endemic snail, and seeds of our endemic plants overseas for safekeeping to institutions such as the Omaha Zoo, Durrell Wildlife Centre, Royal Botanic Gardens at Kew, the Vienna Zoological Society, the London Zoological Society and, most recently, Chester Zoo in the UK.

Mr. Speaker, this precautionary approach has already proven extremely beneficial. The killifish in Vienna are thriving, and we are learning a lot about their life cycle. Kew has asked permission for other countries to use some of the seeds collected from our rare plants in the hopes of establishing colonies in other parts of the world.

Unfortunately, after an extensive search it appears that we have lost the five endemic snail species we once had. We believe our snails have fallen victim to two introduced predatory snails and a flatworm. As such, the only population of one type of Bermuda snail now resides at the London Zoo under the care of the London Zoological Society. In due course, we are hoping to return a portion of the London snails to Bermuda and to re-establish them in parts of Bermuda that are free of these predators.

Mr. Speaker, the Bermuda skink is an example of another endemic species under extreme threat. Records show that, while it evolved on Bermuda for a million years into the unique species it is today, it is now being impacted by loss of habitat, the introduction of pests, competition from other lizard species, predatory birds, cats, as well as thrown-away bottles, which act as deadly traps.

Due to these pressures, the skink's numbers have plummeted and the Island's population has been pushed to the edge of extinction. Currently, it is one of the rarest lizards in the world. The Bermuda skink is an iconic species for Bermuda, and it is our duty to actively preserve and recover it as best we can. Therefore, I am pleased to announce that, through the efforts of the Department of Conservation Services, the Bermuda Zoological Society and our new friends at Chester Zoo, there is new hope for the Island's only endemic lizard.

Mr. Speaker, this month, a team led by Dr. Gerardo Garcia from Chester Zoo, in partnership with the Department of Conservation Services, transported 12 skinks overseas in order to start a captive breeding programme. I am pleased to report that our emigrants are all doing well and apparently enjoying relative luxury in their new home. The ultimate aim will be to not only have a safeguarded population overseas, but also to develop a recovery toolkit on how best to rear these unique creatures in captivity using the expertise of the Lower Vertebrate and Invertebrate Department of Chester Zoo.

Mr. Speaker, Dr. Garcia and his team will recreate the climate of Bermuda using temperature data taken from the islands where the skinks were found, together with other elements of the lizards' natural surroundings, such as rock, coral and forest substrates, to create the optimal breeding conditions. The zoo's veterinary experts will also research the skinks' biology, carrying out ultrasounds in an effort to understand them better. Experiments will also be conducted on micro-chipping techniques, so ultimately, conservationists will be able to track skinks in the wild to determine how long they live and how far they travel.

Mr. Speaker, the length of time required to develop the toolkit will depend on the skinks themselves. The six pairs at Chester Zoo are entering the breeding season, but it may be another year before they successfully breed and before the complete guide is ready.

Mr. Speaker, I am going to make a suggestion that the people at Chester Zoo put on some Barry White, and that might create the atmosphere to help these skinks to breed. It certainly worked for me.

[Laughter]

Hon. Sylvan D. Richards, Jr.: The results will then be shared with Bermuda's Department of Conservation Services and its support charity, the Bermuda Zoological Society.

Mr. Speaker, on behalf of the Bermuda Government, I would like to extend my sincere gratitude to not only Chester Zoo and Dr. Garcia, but also to all our overseas partners who are providing us the use of their facilities, their expertise and advice to ensure that our most threatened species survive for future generations to experience and enjoy.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Minister.

The Chair will now recognise the Honourable and Learned Minister for Tourism and Transport.

The Honourable Shawn Crockwell, you have the floor.

BERMUDA HOTEL DEVELOPMENT AND INVESTMENT SUMMIT

Hon. Shawn G. Crockwell: Thank you. Good morning, Mr. Speaker.

Mr. Speaker, I rise to report on the Bermuda Hotel Development and Investment Summit, which was held at the Fairmont Southampton Princess Hotel on June 24th. The summit was the vision of the Chairman of the Tourism Board, the Honourable Mr. David Dodwell. It was organised and paid for by the Tourism Board and attended by members of the Government Economic Development Committee. Mr. Dodwell led the summit, and his team staged an extremely productive and enlightening event.

The Government Economic Development Committee representatives included the Chairman, the Honourable Premier, Mr. Craig Cannonier; the Minister of Finance, Mr. Bob Richards; the Minister of Home Affairs, Mr. Michael Fahy; the Minister of Economic Development, Dr. Grant Gibbons; the Minister of Public Works, Mr. Trevor Moniz; and Director of Tourism, Mr. William Griffith.

Mr. Speaker, for personal reasons, I was unable to attend the summit, but I have been fully briefed. I have read the entire transcript of what took place, and from what I have observed, the event was an unparalleled success. I would like to personally thank and congratulate the Tourism Board Chairman for a job well done.

In the interests of full disclosure, the Bermuda Government covered expenses including airfare, accommodation and Island transportation. The Premier also hosted a dinner for participants at Camden on the evening of June 23rd. The estimated cost is approximately \$90,000. Again, Mr. Speaker, this came out of the Tourism Board budget, although it is a Government initiative.

All participants are incredibly busy in their respective fields and gave their time freely. There were no fees or payments involved. To my knowledge, this is the first time that a Government has invited people of this calibre to share their thoughts and ideas on the future of a tourism industry and how to attract much-needed investment in hotels and infrastructure.

Mr. Speaker, summit participants included:

- Mr. Colin Brathwaite, Associate Director, Hospitality and Real Estate, First Caribbean International Bank;
- Jim Burba, President of Burba Hotel Network;
- Pierre Charalambides from Dolphin Capital Partners;
- Richard Davis, Greenberg and Traurig;
- Timothy Dick, Three Wall Capital;
- David Larone, PKF Hospitality and Tourism Business Advisors;
- Alan Litwack, Strategic Development;
- Mike Magrans from Ernst and Young;
- Rob MacLellan, Managing Director of MacLellan & Associates;
- John McCarthy, CEO of Leisure Partners;
- Ted Middleton, Senior Vice President, Hilton Worldwide;
- Mark Purcell, Vice President, Starwood Hotels and Resorts;
- Ron Sutherland, President of Hemisphere Group; and
- Michele Wimpling, Vice President, Real Estate and Development of Fairmont Raffles Hotels International.

The attendees represented a first-class group of people involved in the following segments of the

hotel industry: banking, real estate, investors and developers, legal, well-known hotel brands and consultants.

Mr. Speaker, let me also offer my thanks to the professional facilitator, Mr. Bill Quain. He is a recognised expert in the hospitality field, and he moderated the summit. The Premier and Ministers stayed from beginning to end and were engaged and enthusiastic. Indeed, the Premier said it was one of the most valuable and informative days he has had in Government and gained tremendous insight into the needs of the hotel industry.

Clearly, we had the right people from Government and the industry in the room. They were very engaged in the process, and there was much discussion and consensus reached on how to move forward. This was very much an interactive summit—it started with questions, which led the dialogue, with all participants taking an active role.

Mr. Speaker, some of the questions, issues, and observations raised by participants included the need for a red-carpet approach, including faster processes involving regulation and the creation of a one-stop shop for hotel development. There was recognition by all that tourism is the lifeblood of the Island and should have an overriding attention. All agreed we need a master plan for hotel development.

Importantly, it is critical to improve the financial performance of existing hotels. If they are not successful, why would other investors come? There was recognition of the need for financial incentives and guarantees for hospitality development. There was also the need for further investigation of mixed-use hotel development involving residential aspects. One of the most important factors was the need to modernise the current labour practices. The need for a more relevant and aggressive sales and marketing campaign was also highlighted.

Mr. Speaker, many of these points have been discussed by the Tourism Board, staff in the Bermuda Department of Tourism, as well as in Cabinet, but it was certainly a welcome validation to hear from the experts from other jurisdictions that this is the direction we must take to not only revitalise, but reinvent our tourism product. The facilitators are producing a report that will go to the Economic Development Committee for review and to help guide our policy in this regard going forward.

Mr. Speaker, the summit was extremely productive for all attendees, and the overriding message was that we must modernise and be innovative if we wish to compete with other jurisdictions in new developments going forward. The attendees were incredibly impressed and optimistic about Bermuda, including our processes, cleanliness, infrastructure and other factors. They saw no reason why we should not be at the forefront of tourism development if appropriate changes are indeed made.

Mr. Speaker, I would like to share just a few quotes from a few attendees. The president of an international hospitality real estate advisory company said: "It was a thorough pleasure being with you these past few days. I am 100 per cent certain the White Paper summary of yesterday's highly focused summit will prove to be a valuable navigation chart for Bermuda's tourism renewal."

The co-chair of a global legal hospitality group said, "I thought the conference went very well. As a postscript, I gathered some views from a few of the regular people on the Island involved in the tourism industry, and they were remarkably well informed . . . and without prompting echoed many of the conclusions we reached at the conference."

Mr. Speaker, this Government is committed to growing our economy and providing jobs. This summit was an important step in attracting foreign hotel investment and new development to the Island so we can achieve both of these goals. We said we were going to do this in our Throne Speech, and it is a promise kept. I look forward to returning to this Honourable Chamber in the near future to report on progress as we begin a new era for one of the most important pillars of our economy.

Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: Thank you, Honourable Minister.

The Chair will now recognise the Honourable Minister for Public Safety.

Minister Michael Dunkley, you have the floor.

SPIKE IN UNDERAGE DRINKING

Hon. Michael H. Dunkley: Good morning, Mr. Speaker, and good morning, colleagues.

Mr. Speaker, Honourable Members will be aware that school is out. While the children are undoubtedly very excited about the lazy summer days ahead, parents must be on guard because of the extra dangers that idle days bring.

Mr. Speaker, I am particularly concerned about underage drinking and the possibility of incidents of underage drinking peaking during the summer months. This is a problem that the Government will not ignore. During the summer, we will continue to focus our efforts towards preventing our young people from developing dangerous alcohol habits.

Mr. Speaker, underage drinking and associated problems have profound negative consequences for underage drinkers, their families, their communities and the society as a whole. A person that begins to consume alcohol before the age of 18 is four times more likely to develop alcohol dependency than someone who waits until the age of 21.

Honourable Members will recall a Statement that I presented to this House earlier this year on the

results of the National Survey of Drug and Health among middle and senior school students in Bermuda. Mr. Speaker, the results of the survey revealed that in 2011, more than half of the middle school-age students participating reported the use of alcohol in some point in their lifetime, and 19.1 per cent said they had used alcohol in the past 30 days, with the first average initiation around the age of 12 years old.

Mr. Speaker, this survey suggests that a number of Bermuda's young people under the legal drinking age of 18 have experimented with alcohol. Many of these children report that the easiest place to obtain alcohol is in their own home. This is not to say that our parents are deliberately providing their children with alcohol. But parents must take extra precautionary measures when storing alcohol in their home, especially in the case of our older teenagers left home alone.

Mr. Speaker, the dangers of alcohol use and abuse should be taught to children, and clear rules set. Bermuda's summertime party atmosphere often portrays alcohol consumption in a positive light. Young people can be led to believe that alcohol makes everything more fun, so the desire to consume alcohol is strong. Mr. Speaker, it is critical for adults to consistently demonstrate habits, values and messages that we would like to see our children adopt.

Mr. Speaker, it is important that parents, guardians and the community as a whole set good examples for our young people. We want to encourage our young people to continuously supervise all of their children in the summer months to ensure that they are not participating in risky behaviours. Young people are able to get involved in a variety of activities through the summer to prevent these dangerous behaviours, Mr. Speaker, such as summer camps, swimming and snorkelling camps, dance camps, and the list goes on. We need to be more proactive and to steer our young people in the right direction so they in fact become positive members of our society who are well-equipped to make informed choices regarding alcohol behaviour.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Minister.

I think you have a second Statement? Minister Dunkley, you may continue.

STRENGTHENING THE SECURITY OF LICENSED PREMISES

Hon. Michael H. Dunkley: Yes, Mr. Speaker. This statement is concerning strengthening the security of licensed premises.

Mr. Speaker, this Government's commitment to the safety and security of the community extends to the enjoyment of an evening out at a restaurant or a bar, and to the fellowship that takes place in the community clubs and other licensed premises

throughout the Island. In keeping with current trends, there are occasions when that enjoyment is disturbed by an anti-social element also present in our community.

Mr. Speaker, owners and operators of licensed premises should be able to promote their establishments and welcome their patrons without the requirement for undue layers of security. Patrons of licensed premises should be able to relax and enjoy the atmosphere of their chosen nightspot without worrying about violence or general anti-social behaviour in their midst. However, Mr. Speaker, recent incidents have demonstrated the need for extra care to be taken and for owners and operators of licensed premises to always remain vigilant and to be prepared to take action.

Mr. Speaker, the Ministry of Public Safety believes that there is a wealth of knowledge about the running of licensed premises in Bermuda and there is the potential for industry success where we encourage effective, open communication and collaboration around best practice in the area of security and safety in this business.

Therefore, Mr. Speaker, I am pleased to advise this Honourable House that the Ministry have organised a meeting of owners and operators of bars, restaurants and clubs for Wednesday, July 17th at 3:00 pm. The aim of this meeting is to hear directly from those people most familiar with the issues that exist in this business today and to initiate a dialogue which will promote a safer environment for them and their patrons.

Separately, Mr. Speaker, with the Department of National Drug Control, the Ministry is examining relevant legislation to determine what can be done to provide a framework for safer experiences at licensed premises. I can advise Honourable Members of this House that I recently led a full discussion in Cabinet on liquor licence policy generally and our overall approach to the sale, consumption and regulation of alcohol in Bermuda. Included in that discussion were proposals such as:

- mandatory ID checks, or “carding” on entry to bars and nightclubs;
- activating the bar code on every driver’s licence to assist in ID checks at licensed premises;
- properly classifying so-called “energy drinks” to ensure that consumers are well informed of their properties and contents;
- examining our laws to determine if roadside sobriety checks can be introduced; and
- strengthening the enforcement of the existing laws under the Liquor Licensing Act 1947.

Mr. Speaker, alcohol and licensed premises can be enjoyed by all persons of age who wish to do so. However, we must encourage responsible alcohol

consumption and encourage a healthy attitude towards alcohol in our community.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Minister.

The Chair will now recognise the Honourable Minister for Finance, the Honourable E. T. Richards.

Minister Richards, you have the floor.

BERMUDA POST OFFICE NEW PUBLIC AWARENESS CAMPAIGN

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

Mr. Speaker, this morning I rise to advise Honourable Members of the Bermuda Post Office new public awareness campaign.

Mr. Speaker, Honourable Members are advised that, since its establishment in 1812, over 200 years ago, the Bermuda Post Office has always strived to respond to the needs of its customers, whilst maintaining its heritage and service culture.

Mr. Speaker, Honourable Members are no doubt aware that the Bermuda Post Office is the premier local and international provider of postal and other services in Bermuda—a one-stop shop connecting people and businesses through courteous, professional and affordable products and services.

However, if the Bermuda Post Office is to remain viable and competitive in today’s high-tech economy, it must shift from just delivering mail and become more innovative and sustainable. Mr. Speaker, the post office intends to raise its profile within the local and business community and increase awareness of the full scope of its products and services among residents, young and not-so-young alike.

Mr. Speaker, the Bermuda Post Office is launching a public awareness campaign to increase awareness and to reinvent the Bermuda Post Office as an efficient, sustainable and customer-focused organisation. This campaign will highlight the full range of products and services offered by the post office, including express mail, RPost, bulk mail and online services. The post office has conducted surveys in preparation for this initiative and is responding to the needs of its customers and the public.

Mr. Speaker, the post office has recently launched a social media marketing strategy, with the re-branding of its Facebook page. The post office will be reaching out to a younger audience through this mechanism, while at the same time continuing to service the current loyal customer base.

The post office will market its registered e-mail product, RPost, as the preferred option for registered and secured e-mail correspondence to individuals, schools, law firms, companies, international business and Government departments that require timely transmission of confidential and secure information. The post office will also educate the public about the

benefits of using registered e-mail over traditional registered mail.

Mr. Speaker, Honourable Members are advised that it is cheaper to bring items into the Island via the Bermuda Post Office than through the airport. The differentiated duty rates for goods imported into the Island from overseas are the same as any other shipping or courier company in Bermuda, and the Bermuda Post Office does not charge the local fees and other surcharges that private sector courier firms charge for goods shipped into Bermuda.

Mr. Speaker, in the upcoming months, the Bermuda Post Office will be working with major retailers overseas, as well as the United States Postal Service, to increase the range of retail items and suppliers for goods shipped into Bermuda via the post office. The post office offers an express mail product (also known as EMS). While this is not an overnight service, it guarantees a secured and trackable delivery—within five to seven working days of mailing. Mr. Speaker, if a customer does not need an item to arrive overnight, he or she can derive significant savings by sending this item overseas via the EMS postal service.

The Bermuda Post Office also intends to introduce delivery of incoming overnight express mail in the near future. In addition to the initiatives I have shared with Honourable members today, the post office will be looking to initiate additional revenue-generating products and services in the near future.

Mr. Speaker, the Bermuda Post Office is part of a joined-up Government and will soon begin using the new Tourism slogan, *Bermuda is so much more*, where appropriate, and used beautiful pictures of Bermuda beaches for a recent stamp issue.

In conclusion, Mr. Speaker, I would like to assure the Honourable Members of this House that the Bermuda Post Office has maintained a focus on improving efficiency and reducing costs, and has reduced its staffing from 232 to 196 over the two-year period since 2011, while maintaining a delivery standard of two working days 95 per cent of the time and within four working days 98 per cent of the time.

Mr. Speaker, the Bermuda Post Office has been operating for over 200 years and intends to continue to serve the people of Bermuda going forward. The Bermuda Post Office aims to be more accountable as a public service and provide products and services to benefit the people of Bermuda. In doing so, the Bermuda Post Office will maintain its unique postal services such as its internationally renowned stamp issues.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Minister. That completes the Ministerial Statements.

REPORTS OF COMMITTEES

The Speaker: There are none.

QUESTION PERIOD

WRITTEN ANSWERS

The Speaker: We move now to the Question Period. We did have [written responses from Minister Patricia Gordon-Pamplin on questions from MP Zane De Silva](#), and also written responses from Minister Michael Dunkley on questions from MP Walter Roban.

There are no questions on the Ministerial Statement regarding shrink [*sic*] recovery.

Some Hon. Members: Skink!

The Speaker: Skink. Skink recovery. “Skink,” not “shrink.” Skink, skink, skink recovery.

Now, the Ministerial Statement by Minister Crockwell, and the Chair will recognise the Member from constituency 18, the Shadow Minister for Finance.

Oh, you do not have a question? All right.

Then the Chair will recognise the Honourable Member from Hamilton West, constituency 6, Shadow Minister for Tourism, MP Wayne Furbert.

QUESTION 1: BERMUDA HOTEL DEVELOPMENT AND INVESTMENT SUMMIT

Hon. Wayne L. Furbert: Thank you, Mr. Speaker, and I also would like to welcome the Minister back.

Minister, you mentioned many of the points that have been discussed already in Cabinet, in the Tourism Board, and also at the department itself. What new was brought up in the meeting that you should let Parliament know? What was new?

The Speaker: Minister?

Hon. Shawn G. Crockwell: Yes, thank you, thank you, Mr. Speaker. Thank you for the question.

There was a great deal, Member, discussed during the summit. And that is why we will be bringing to the House a White Paper of recommendations which would flesh out more of this answer.

Something that jumped out to me, that I thought was very interesting, were some short- and long-term objectives that were obtained during the summit. One was that we thought it was feasible, and came up with a short-term goal for 2015, to increase our inventory—as you know now, it is around 2,500 rooms—to increase that by around 400 rooms. That would bring us in line, make us more competitive, and that would be a 13.6 [per cent] increase over 2011. For long-term strategy on this same point (which we are talking about 2022) it was discussed that if we can get to 4,228 rooms, then we will be where we should

be as a destination in terms of hotel inventory. And that would be a 67 per cent increase over 2011.

Also what was very interesting was that hotel developers are far more interested in occupancy levels than all the other statistics that we have. And we are going to try in the short term to get our occupancy up to 64 per cent, which would be a 15 per cent increase, and long term if we can get it around 67 [per cent] to 69 per cent, that would be the optimum.

So it was good to gauge from these individuals on what is sort of best practices in other jurisdictions. But I can guarantee you, Honourable Member, that far more recommendations and information will be coming in the near future.

Thank you, Mr. Speaker.

The Speaker: Thank you, Minister.
MP, a supplementary? Yes, sure.

SUPPLEMENTARY

Hon. Wayne L. Furbert: I did not hear anything new, because most of that information was already in the Tourism Board plan prepared by the Ministry, as far as occupancy, and also the other thing that you mentioned, as far as inventory. I have not heard anything new coming so far. But I will wait until—

The Speaker: But I think so. I mean, I think he answered the question.

Hon. Wayne L. Furbert: I will wait until the Motion to Adjourn. No problem. I understand the Minister.

The Speaker: Do you have another question?

QUESTION 2: BERMUDA HOTEL DEVELOPMENT AND INVESTMENT SUMMIT

Hon. Wayne L. Furbert: Yes, I do.
Was gaming discussed during the actual meeting?

Hon. Shawn G. Crockwell: Absolutely. It was discussed.

SUPPLEMENTARY

Hon. Wayne L. Furbert: Any conclusions come out of the meeting on that?

The Speaker: That is supplementary one. That is all right.

Hon. Shawn G. Crockwell: Definitely. Again, this is the general consensus that gaming will add to the amenities of our product. It would not be the cure-all to totally revitalise the industry. But, certainly, we discussed gaming in other jurisdictions. It was ascer-

tained that it has done very well in the Dominican Republic.

Of course, we know it actually transformed how tourism is done in the Bahamas. So there were a few examples that were highlighted where gaming came in and really had a major, compelling impact in other jurisdictions. And in many jurisdictions it did not have that impact. So the recommendation was, consider it. It can be a good amenity for Bermuda. But of course, it is not the only remedy that we need.

The Speaker: Thank you, Minister.

Hon. Wayne L. Furbert: Supplementary.

The Speaker: Second supplementary?

QUESTION 3: BERMUDA HOTEL DEVELOPMENT AND INVESTMENT SUMMIT

Hon. Wayne L. Furbert: Second.
Again, nothing new. But when will the Minister bring the Referendum Bill on gaming?

The Speaker: That is a new question, sir. That is a new question.

Hon. Shawn G. Crockwell: It is all part of this paper, Mr. Speaker.

The Speaker: Yes. Right. Thank you. Thank you.
Yes? You have a supplementary?

Mr. Walton Brown: Yes, Mr. Speaker.

The Speaker: On this particular question?

Mr. Walton Brown: That is correct.

The Speaker: Carry on.

SUPPLEMENTARY

Mr. Walton Brown: I was just wondering if the Minister can answer the question, To what extent was the issue of—

The Speaker: This is MP Brown. For those listening, MP Walton Brown is asking a supplementary.

Mr. Walton Brown: Thank you.

To what extent was the issue of the development of convention centre business discussed at this forum?

Hon. Shawn G. Crockwell: I have been just advised. I did not see that in the transcripts. But it came up briefly. But it was not a major discussion point.

The Speaker: Thank you, Honourable Minister.
Are there any other questions?

There are no further supplementaries? Not even from you, Honourable Member, Shadow Minister of Finance?

[Inaudible interjections and laughter]

The Speaker: All right. Thank you. That completes our Question Period.

CONGRATULATORY AND/OR OBITUARY SPEECHES

The Speaker: We will now move to Congratulatory or Obituary Speeches. The Chair will first of all recognise the Honourable Premier.

Premier Craig Cannonier, from constituency 12, Devonshire South Central, you have the floor.

Hon. L. Craig Cannonier: Thank you, Mr. Speaker.

I had the honour this week on Monday with colleagues of this House to open up this week and proclaiming that Senior Citizens Week. Myself, along with Minister of Cultural Affairs, Minister Scott, and Health and Seniors, Minister Gordon-Pamplin, also the Opposition Leader, Marc Bean, the Honourable Member—we had the wonderful occasion of all of us being able to speak to the seniors this week on Monday.

I can truly say that each one spoke very eloquently to the honour that it was this Monday of having seen all of our seniors, many of them. This room was filled. In fact, it was so full that it overflowed into another room at the Hamilton Princess. So our seniors are definitely growing.

I wanted to bring a statistic to those who may be listening. Our seniors, that population of 65 and over, have grown from 8,683 to this month being 9,089. It is an increasingly growing population. You know, there was a feel of real energy as you walked into the room and as you listened to the Minister speak and the Opposition Leader Bean speak, it was very, very evident that all of us were enthused by our energy in the room. And I wanted to just say that Bermuda truly is the gem that it is because of our seniors. And we want to thank the Ministry for putting on such a fine week thus far. We will continue on and culminate this Sunday. Those within the Ministry of Community and Cultural Affairs have done a fantastic job, Mr. Speaker, at honouring our seniors.

So we want to honour the awardees, the centenarians (that is a tough one to say), them as well. We honoured them. There were five of them. So it has been a wonderful start-off to our week. And again, we will culminate this weekend with more celebrations of our seniors.

I also wanted to speak to the *Eagle* that came to Bermuda, the yacht, the US Coast Guard *Eagle*, a

tall ship, yes. You would know that it was initially a Nazi German warship, and the Americans took it over in 1946 after having won the war. It was intriguing to listen to the captain of the ship. His name is Pulver, had a German name, but he is American. But it was interesting.

[Inaudible interjection]

Hon. L. Craig Cannonier: There you go.

They had an interesting motto that they followed, and that was *Manners before position; Manners over position*. And it was very interesting to be on the ship with so many young people, 18, 19, 20, to watch as they interacted with one another, a well-mixed group as well, from all different ethnic backgrounds, to see them practicing this, this manners for and over position—very polite, very cordial. So I believe it is something that we continue in Bermuda. We have always believed in this, maybe not had named it or pointed in that way. But we have always believed in manners before position.

So with that in mind, I want to also thank the many Ministers and Senators that were on the ship—there were many of them there—and congratulate them for coming to Bermuda and doing the fine work that they do.

Thank you, Mr. Speaker.

The Speaker: Thank you, Mr. Premier.

Would any other Member care to speak?

The Chair recognises the Honourable Member, Mr. Glen Smith, from constituency 14, Devonshire North West.

MP Glen Smith, you have the floor.

Mr. Glen Smith: Good morning, Mr. Speaker, and colleagues this morning.

The Speaker: Good morning.

Mr. Glen Smith: I would like to send thanks and congratulations to the KBB [Keep Bermuda Beautiful], and also my constituency committee in organising a clean-up in constituency 14 for the NatWest Games, preparing for it, which were, we cleaned up all the roads leading to the National Stadium.

I would particularly like to thank the US Coast Guard that also participated in this cleanup. We had 15 young men and ladies that were there from nine o'clock in the morning until twelve, as well as some of my constituents. And I would really like to single out Tonshayah Gift, who was in the newspaper this week as an M1 student from Whitney that participated in the cleanup. So once again, Mr. Speaker, I would like to associate the Premier on this, and I know the Minister of Youth and Sport would like to be associated with it, too, helping him prepare for the games.

Thank you.

The Speaker: Thank you very much, Honourable Member.

The Chair now recognises the Honourable Minister of Economic Development from Paget East, constituency 22.

Dr. Grant Gibbons, you have the floor.

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker. Good morning.

Mr. Speaker, I rise on a sad note this morning to ask that condolences be sent to the family of Graham Spurling, who passed away earlier in the last week or so. Graham actually was a classmate of mine over 50 years ago. And he has been described, and it is certainly true, as a gentle, kind and very unassuming individual and a family man as well. He worked at the Bank of Bermuda for over 35 years. Actually, when he first came back to Bermuda after college, he taught at St. George's Second and Whitney.

[Inaudible interjection]

Dr. the Hon. E. Grant Gibbons: Thank you. I think my honourable colleague, Mr. Simons, would like to be associated, or will do it himself.

Interestingly enough, Mr. Speaker, Graham was actually quite an athlete. I say that because he always beat me. He was a very good sprinter in the day, ran in the interschool sports, was a good long jumper as well, and always ran the last leg on relays.

But Graham struggled bravely against Parkinson's disease, which he has had for some 20 years. But a wonderful individual. And I wanted to ask that condolences be sent to his wife, Joan; his brother, Keith; and sister, Sally Walsh; as well as his daughter, Melissa.

Mr. Speaker, I would also while I am on my feet like to ask that the House send congratulations to Mr. Michael McGavick, who is the CEO of XL Group. Very noteworthy, Mr. McGavick was made the chairman of an insurance society called the Geneva Association. It is noteworthy because this society, which is quite influential and has been around for many a number of years, has a lot of influence in terms of policy with respect to insurance and reinsurance, but has effectively been dominated since its founding by Europeans. I think Mr. McGavick is probably the first American, certainly probably the first chairman, first CEO of a Bermuda company, that has assumed the chairmanship. So I would ask that congratulations be sent to Mr. McGavick on this significant position he has been elected to.

Thank you, Mr. Speaker.

The Speaker: Thank you, Minister.

The Chair now recognises the Honourable Member from Pembroke East, constituency 15, Shadow Minister of Home Affairs.

MP Walter Roban, you have the floor.

Mr. Walter H. Roban: Thank you, Mr. Speaker.

I ask that the House send a congratulatory note to the Grace Methodist Church on North Shore, a church that has been in existence since 1900 and has a long history of making a contribution to the community, particularly the area of the North Shore. In particular, the trustees of the church, the trustee board, but also to the newly installed interim pastor, Reverend D'Wain Wales, who has taken the challenge to lead the flock at this very prestigious institution. There was a ceremony on the 30th of June to induct Reverend Wales. It was well attended by many. Members of the esteemed flock of Bethel AME Church were there to assist with the fellowship. I am sure persons like the Honourable Member, Bishop Burgess, here will be pleased to know that much of his flock was there, and to help us along in the North Shore with a very important ceremony and moment for the great Methodist Church on North Shore.

So I ask that the House send congratulatory remarks to both the trustees and to Reverend D'Wain Wales. Thank you.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Member from constituency 2, St. George's West, Mrs. Nandi Outerbridge.

You have the floor.

Mrs. Nandi Outerbridge: Good morning, Mr. Speaker.

The Speaker: Good morning.

Mrs. Nandi Outerbridge: I would like to be associated with the remarks of the condolences to the family of Mr. Graham Spurling. I had the opportunity to spend Monday evening with the family, and his wife, Joan, and they seemed to be in great spirits. I can tell by their spirits that Mr. Spurling will be truly missed, but I am glad that they are in good spirits. I would like to associate Minister Moniz, Minister Dunkley and MP Atherden with this as well.

Thank you.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Member from Warwick West, constituency 28, MP Jeff Sousa.

You have the floor.

Mr. Jeff Sousa: Good morning, Mr. Speaker, colleagues and those in the listening audience.

The Speaker: Good morning.

Mr. Jeff Sousa: I ask the House of Assembly to send congratulations to the Bermuda Audubon Society that has been in existence since 1954, in particular for the

national history course that just finished this last Saturday. This week-long course is a camp particularly for young Bermudians between the ages of 14 and 16 years old, which introduces them to Bermuda's unique marine and terrestrial environment and has been operated for the last 40 years.

The camp is based at Nonsuch Island, but the students are able to go to places like North Rock to scuba dive, as well as Walsingham, the caves, and many areas that many of the people in this room have never been.

Mr. Speaker, please allow me to read what the goal of this camp is: "The goal of this one-week camp is to provide students with the awareness of the uniqueness and fragility of Bermuda's biodiversity, and foster an active and life-long interest in the natural environment. The course is an introduction to field-work designed to help students make future course and career choices."

Mr. Speaker, I am happy to say that 37 years ago I attended that camp. And I was fortunate enough to be introduced to the flora and fauna around us with people like Dr. David Wingate, as well as David Lonsdale. And, of course, that was the first time in my life that I was able to see a skink live. So I do support Minister of Environment Sylvan Richards's comments earlier and what the team were doing to keep this unique Bermudian lizard alive and not becoming extinct.

Once again, Mr. Speaker, I ask that the House send congratulations to those that are involved with this awesome camp, because they are continuing to keep and conserve Bermuda's special bird life and habitats for all of Bermuda to enjoy.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Member from Hamilton East, the Shadow Minister of Public Works, constituency 5.

MP Derrick Burgess, you have the floor.

Mr. Derrick V. Burgess, Sr.: Thank you, Mr. Speaker.

Mr. Speaker, I would like this House to send congratulations to the newly installed pastor at the Salvation Army in Cedar Hill in Warwick, Ms. Susanne Fisher. She is the first Bermudian to serve that church in 30 years as the leader of that church, Mr. Speaker. The Honourable Dennis Lister would like to be associated with those congrats, and the Honourable Minister, Mr. Scott, and the Honourable Shadow Attorney General, Kim Wilson.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable and Learned Member from Southampton West Central, constituency 31.

The learned Member, Minister of Tourism, Development and Transport, Shawn Crockwell, you have the floor.

Hon. Shawn G. Crockwell: Yes, thank you, Mr. Speaker.

Mr. Speaker, I would like the House to send a letter of condolence to the family of Vivian Angela Pearman, who passed away on the 20th of June this year. I would like to associate the Honourable R. Wayne Scott and the Honourable MP Dennis Lister.

Mr. Speaker, Ms. Pearman was the wife of Mr. James E. Pearman. And as a couple and as a family, the Pearman family served as a stalwart of the Southampton Seventh Day Adventist Church. All my life, I have known of the Pearman family as being the bulwark of the church, and Mr. Pearman was a mentor to my father. And he would always talk about the strength of James E. Pearman, who built the churches. He is a Master Mason. And you always saw him and his wife together, and they had such a wonderful chemistry. She was very modest and complemented him very well. Mr. Pearman was one of the chief elders of the church.

They were married, Mr. Speaker, for 63 years. What a statement of a lifestyle of Christianity, commitment to their beliefs. And they were a wonderful role model. So I would like for a letter to go to the family expressing our condolences. She attended the Berkeley Institute, Mr. Speaker, and graduated from Columbia University in business.

On a lighter note, Mr. Speaker, I would like the House to send letters of congratulations to the following . . . And I apologise to the Minister of Sport if I am cutting his legs here. He is telling me, *Don't do it*, but I am not sure if we are on the same page. But I would like for letters of congratulations to go to some fantastic swimmers. You know I am a big supporter of swimming in Bermuda. My daughter is a junior swimmer, and I would like for a letter—

[Timer beeps]

Hon. Shawn G. Crockwell: I know that could not have been my time, Mr. Speaker.

I would like for a letter to go to Ms. Lisa Blackburn.

As you know, right now the Bermuda swimmers are at the 2013 Central American Caribbean Championships in Costa Rica, a place that I love to go. It is a beautiful country. Nineteen countries are participating right now in this championship. Lisa Blackburn has earned two gold medals in the 100-metre backstroke and one silver in the 200—

An Hon. Member: It is three!

Hon. Shawn G. Crockwell: Now it is three?

An Hon. Member: She has got three gold's and a silver.

Hon. Shawn G. Crockwell: Three gold's and a silver. Shannon Hassell has a silver in the 100-metre backstroke; Stephanie Myles, a bronze in the 100-metre backstroke; Rebecca Sharpe, a bronze in the 100-metre backstroke. Congratulations to all of our wonderful swimmers, athletes, representing Bermuda extremely well at the highest level, and kudos to the head coach, our national coach, Mr. Ben Smith. Thank you, Mr. Speaker.

The Speaker: All right. Thank you, thank you, Minister.

The Chair now recognises the Honourable Member from Sandys South, constituency 33. MP T. E. Lister, you have the floor, sir.

Hon. Terry E. Lister: Good morning, Mr. Speaker.

The Speaker: Good morning.

Hon. Terry E. Lister: Mr. Speaker, although I am from Somerset, I am going to go to the other end of the Island.

The Speaker: That is a nice thing to do.

Hon. Terry E. Lister: And the reason for that is—

An Hon. Member: Do not stay long!

Hon. Terry E. Lister: Oh, I will not stay too long! The reason is I want to express congratulations to my aunt and uncle, former Member of this House, to Ms. Lillian [Hall] and Gladwin "Doc" Hall. Doc Hall was here for two sessions, I believe, or two terms. They just recently have celebrated their 60th anniversary. And if you looked at them, you would not think they were old enough to have 60 years of marital bliss. But they have, and I would like this House to send congratulations to them. Associate the Honourable Member Dennis Lister.

The Speaker: It is because of his connect with Somerset, right?

Hon. Terry E. Lister: Well, yes. I believe she was a neighbour of yours back in the day, up on Cook's Hill.

The Speaker: Yes, yes. Absolutely.

Hon. Terry E. Lister: Yes, that is right. And the Honourable Member Walton Brown would like to be associated as well, and Mrs. Nandi Outerbridge. Thank you.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Minister, Wayne Scott.

Minister Wayne Scott, from Warwick North Central, constituency 27, you have the floor.

Hon. R. Wayne Scott: Thank you, Mr. Speaker, and good morning.

The Speaker: Good morning

Hon. R. Wayne Scott: I would like to send congratulations out to Glenn Fubler and his *Imagine Bermuda* for the Change for a Better Bermuda event which took place on Tuesday at the recently renamed Queen Elizabeth Park. This recognised the July 2nd, 1959 Theatre Boycott, which provided freedom of access to all public facilities, a giant step in Bermuda's march toward freedom for all, and an important part of our history. And I would like to associate the Deputy Speaker, Mrs. Roberts-Holshouser, as well as our Deputy Premier, Michael Dunkley, and the Premier, actually, as well.

I just really appreciate how they encourage all residents to reach out to each other, especially those unknown to us.

Also, Mr. Speaker, I would like to send congratulations to the Bermuda Big Classic Tournament Director, Dan Jacobs, who, of course, just had the World Cup Bermuda Marlin Championship, of which Bermuda took the worldwide lead in that again. You know, so we are now ahead of Hawaii in that. And I would like to associate Members Glen Smith and Jeff Sousa, as well as, well, everybody over here, because just about everybody is putting up their hands. Of course, this is 46 teams fishing, taking place around the world.

[Crosstalk]

[Gavel]

The Speaker: Now, keep it down.

Hon. R. Wayne Scott: In this unique format that allows anglers anywhere in the world to enter and team-fish for eight hours, and the heaviest marlin over 500 pounds in a winners-take-all. And this, of course, was won by a boat fishing out of Bermuda, Kevin Gaylord from North Carolina and his team coming in what I believe is a brand-new 77-foot boat, *Blank Check*. And looking at the boat, I can see why it was called *Blank Check*. It was a pretty extravagant boat.

But I would also like to send congratulations to Peter Rans, captain of *Overproof*. Of course, he did not win it, but of course, his being one of our local Bermudians and local boat, his team came second on his 42-foot charter, *Overproof*, missing out by a mere 27 pounds. And from what I understand, they were out fishing all day with that boat onboard. So had they

actually come straight in, you know, we could have actually not only won it in Bermuda, but won it by a local Bermuda boat.

But, you know, this just highlights the benefit of tournaments like this coming to Bermuda and the economic impact on the Island. Of course, Bermuda and Hawaii are typically the best places to fish for marlin worldwide. So we are actually proud to be in the lead over them, having just come off of a draw where I think we were all seven wins each.

So, thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Minister.

The Chair now recognises the Honourable Shadow Minister of Public Safety, from Sandys North, constituency 36, the [Honourable and] Learned Member, MP Michael Scott.

Hon. Michael J. Scott: Mr. Speaker, thank you.

Mr. Speaker, I would like to ask that this Honourable House send condolences to a well-known Somerset family on the passing of Mrs. Shushila Marina Bassett, of Loyalty Estate, the wife of Dr. Melvyn Bassett and mother of Rusheika Bassett [Furbert] and son-in-law, Joseph Furbert. I would like to associate my colleagues, the Honourable Dennis Lister, the Honourable Terry Lister, the Honourable Shadow Attorney General, Kim Wilson, the Honourable Mr. Cole Simons, the Whip of the Government, and the entire House.

The Speaker: And the entire House and the Speaker, yes, who is a part of the House.

Hon. Michael J. Scott: And the Speaker.

Mr. Speaker, you and I were at the same pew at the service. That was a wonderful home-going service, joined by Sir John. As we listened to the story of this lady's life as a health care professional and nurse, but a very fervent and strong life partner to Dr. Melvyn Bassett. She brought from Sri Lanka, Ceylon, her values, her deep faith, and made a huge impact on a community in a critical area of delivering of health care, and raising a family. So she had a wonderful send-off, and I am happy now to ask that this House acknowledge and mark the passing of Mrs. Bassett.

May I also be associated, Mr. Speaker, with the condolences of a friend and schoolmate, Graham Spurling. In his vital years, our days at the Sixth Form Centre, we tore around and grew up as young men do in Bermuda. I remember our group, Scott Davis and Dr. Shaw, George Shaw, all of us had a wonderful time together. And I suddenly now recall, too, that whenever I met Graham during his challenge with the affliction of Parkinson's disease, I always enjoyed coming to converse with him. And he made an effort. And I always made the effort to be as long as I possibly could in his presence and understand just sharing

of our days together. So I would like to add and be associated to the condolences to Joan, his wife and to his children.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Government Whip, from Smith's South, constituency 8.

MP Cole Simons, you have the floor.

Mr. N. H. Cole Simons: Thank you, Mr. Speaker.

Mr. Speaker, I rise this morning to send condolences to the family of the late Debbie Biermann. Debbie Biermann was a fellow equestrian. She has been around forever. She used to specialise in western riding. She is a character. My colleagues, Glen Smith, Michael Dunkley, Suzann Roberts-Holshouser and Mr. Jefferson Sousa, would like to be associated with those remarks as well. She was truly a character, but you know what? The animals brought out the sensitivity in her. And for her, you know, if you knew her, she was a very robust person. But she could be really, really sweet when it came to caring for her animals and caring for young people. So I know it is a difficult time for her family, and I would like to associate . . . I would like to convey my condolences to that family.

I would like to also associate myself with the comments made with reference to Graham Spurling. Mr. Spurling and I crossed paths at a very, very young age. At 16 years old, we were both—

[Gavel]

[Crosstalk and laughter]

The Speaker: Carry on, Honourable Member.

Mr. N. H. Cole Simons: At 16 years old, Mr. Spurling and I were both tellers at the Bank of Bermuda. And that was awhile back. And in fact, we spent a number of summers beside each other serving customers at the bank as tellers. We got in trouble together, and it was interesting. We graduated the same year from college, and then we went back to the bank together. So our connection goes [back] almost 35 years. He was a colleague at the bank. He was well respected. And you know the size of the bank? Nine hundred people, not a person in that organisation had a bad word to say against Mr. Spurling. He was well respected and well loved by the bank staff.

What amazed me most about him [was that] he did not let his affliction prevent him from living. He had the Parkinson's and he did everything. He went to work. And in his last moment, he was out swimming and enjoying his life. And so, to me, that is encouragement, that strength of the spirit, and I am really, really sorry to see him go. And so my condolences are sent to Joan, his wife, and his daughter.

I would like to also associate myself with the remarks made in regards to Susanne Fisher, the Captain at the Salvation Army in Cedar Hill, which is close to me because I went there as a scout long, long, long time ago. And I would like also to associate myself with the comments made in regards to Lisa Blackburn and Dr. Melvyn Bassett's wife.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Any other Honourable Member care to speak?

The Chair now recognises the Honourable Member from Pembroke South East, constituency 21.

MP Rolfe Commissiong, you have the floor.

Mr. Rolfe Commissiong: Thank you, Mr. Speaker. You know, over the last few months, as I have been in this Chamber, on occasion I have had the opportunity to offer a critique on the standards of the local Bermuda news media, particularly the *Royal Gazette*.

Well, I believe that credit must be given when due. In this case, the credit and congratulation goes not only to the *Royal Gazette*, but more particularly to the Media Council. The Media Council recently announced that they will be issuing, or have issued, new guidelines for journalists on race. I think that is a very positive development.

By way of an aside, or slightly on a tangent, you know that the Media Council is a direct outgrowth of the various intense discussions which took place not only in this Chamber, but in the country at large about the role of the media, at least about four or five years ago during the tenure of the Honourable Ewart Brown, as Premier of Bermuda, and the PLP Government. There were views that journalistic ethics and abuses had been taking place. It got somewhat intense in terms of the national debate.

To its credit, the various news media outlets decided to self-regulate. And there you have the birth of the Media Council.

Now, if I may, Mr. Speaker, by way of accessing the *Bermuda Sun*, which laid out all of the guidelines that we are talking about (and I would encourage our listeners and the Members of the Chamber to take a look at these guidelines) . . . the Media Council of Bermuda issued these guidelines. It is called *Reporting on Race—A Guide for Media Professionals*. I am quoting from the *Bermuda Sun*, very quickly.

The Media Council was established in 2011. We know that Ms. Meredith Ebbin is the head of the council; she is the executive officer of the Media Council, and congratulations to her. She worked with a young man by the name of Raymond Codrington from the world-renowned Aspen Institute [Roundtable on Community Change]. The Aspen Institute is world renowned and has as part of its main focus issues of social and racial equity. Mr. Codrington, as well, and the Aspen Institute became very interested in what was happening in Bermuda around the issues of race

and racial equity during the time of the Bermuda Race Relations initiative, going back again about three to four or five years ago. And out of that relationship, this collaboration has come, these guidelines.

So, once again, I would like to congratulate the various news outlets. I think this is a welcome development. And now I suspect, Mr. Speaker, that for example, we will now see more than just great white western dead thinkers on the pages of the *Royal Gazette*, and we will see a more diverse balance there that will include some great black thinkers and persons of colour as well on a more regular basis.

Now, just moving on to the other side of the ledger, Mr. Speaker, I just want to send my condolences and the condolences of this House to the family of Ms. Judith Elaine Harvey of Middletown Drive. She is a constituent, or was a constituent of mine. And I would like to extend those condolences to her family, which now consists of her son William and daughter Patricia. Ms. Harvey was a stalwart in the community, hard-working lady, the type of Bermudian woman that we all know. When we hear particularly the term *strong black woman*, we think and we can believe that Ms. Harvey was in that category. And I say that in a very positive way. And she has gone on to a better place, and I would like to extend the condolences of this House to her family.

The Speaker: Thank you.

Mr. Rolfe Commissiong: Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Minister for Public Safety, the Honourable Minister from constituency 10.

Minister Michael Dunkley, you have the floor.

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

I thank my colleagues for associating me with the comments earlier today.

I would ask these Honourable Chambers to send congratulations to young Aaron Evans, who has joined the Nike Oregon Track team. Mr. Speaker, the Opposition Leader would like to be associated with that as well. Anybody who follows sports and track will be well aware that the Nike Oregon Track Team is a very exclusive organisation. And for young Mr. Evans, who has been very successful to date, this is the perfect opportunity for him to get to the next level and hopefully qualify for the next Olympics coming up. So, congratulations to the young man at staying at it in a very difficult position in sports.

I would also like, Mr. Speaker, to take this opportunity to send [a] thank you and congratulations to US Consul General Robert Settje on hosting a July 4th Event on July 3rd at the US Consul residence. And I am sure Honourable Members of the Chamber would like to be associated with that. Mr. Speaker,

obviously, with the very close relationship that Bermuda has with the United States, we are proud in that relationship and we would like to take this opportunity to send congratulations to [the] US Consul General on celebrating Independence Day on July 4th.

Mr. Speaker, I would like this Honourable Chamber to send congratulations to one of our own in this Chamber, to Mr. Glen Smith, on the opening up of his new business, Auto Solutions. And I specifically mention that because, during this very difficult business environment, Mr. Smith has developed a business, created opportunity, and in the first couple of months in business has demonstrated that he has brought a new level of experience and expertise to a business. And I think the Honourable Members would like to wish him all the success in what he has done.

[Desk thumping]

Hon. Michael H. Dunkley: Mr. Speaker, and finally, I would like this Honourable Chamber to send congratulations to a former Assistant Commissioner of Police, David Mirfield. At midnight last night, Former Assistant Commissioner Mirfield stepped down from a position that he had held for three years.

Mr. Speaker, I am sure you are well aware that Mr. Mirfield came to Bermuda with tremendous experience in the West Midlands Police Service in the UK. And certainly he had a great deal of experience in gang violence and gun crimes and associated that with the senior staff at the Bermuda Police Service and helped us get on top of the challenge. Honourable Member, Mr. Rolfe Commissioning, would like to be associated with these comments of congratulations as well.

And the Commissioner of Police has asked Mr. Mirfield to stay on to work as a support staff member and specifically focus on intelligence and tasking divisions until the end of this current financial year. And the Government is very pleased to be able to support this request.

But thank you to Mr. Mirfield for what he has done in Bermuda in helping us, and we look forward to continued success.

Thank you, sir.

The Speaker: Thank you, Minister.

The Chair now recognises the Honourable Member from Pembroke Central, constituency 17, MP Walton Brown. You have the floor.

Mr. Walton Brown: Thank you, Mr. Speaker.

I just wish to be associated with the congratulatory remarks to BASA [Bermuda Amateur Swimming Association] and our swimmers, Mr. Speaker. Over the last couple of years, our swimmers have won a number of medals in international competitions. The common element of this, Mr. Speaker, is Bermuda's

national swim coach, Mr. Ben Smith, a good friend of mine.

Mr. Smith has, over the years, demonstrated tremendous commitment to our talented swimmers to get them to the point of success. He does not win gold medals; he does not win bronze medals. The athletes win them. But were it not for his dedication and his efforts, we would not be in the position where we are today. And I think it is important to note the contribution of someone who, were it not for him, we would not be achieving these successes we are achieving today in terms of our national swim competitions.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Minister of Health and Seniors, from Paget West, constituency 23.

Minister Patricia Gordon-Pamplin, you have the floor.

Hon. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker.

Mr. Speaker, I would also like to be associated with the remarks of congratulations to the swim association and in particular to Lisa Blackburn, because I think that when one goes into an international competition such as the CAC Games and is able to come away with four medals, that is, indeed, quite an accomplishment. And as the Honourable Member who just took his seat just indicated, it is a result of good prior preparation.

I would also ask to be associated with the remarks of condolences to the Spurling family. And while many of our colleagues knew Mr. Spurling either from their school days, as we have heard, or from their work environment, I actually knew Mr. Spurling as an ardent supporter of his daughter, who is one of our wonderful tennis juniors. So I have had the opportunity to have quite a lot of exposure to his family. And to see him standing and supporting his daughter during our summer tennis tournaments and during her junior development was something to behold, because we all recognise that he was dealing, himself, with serious physical challenges. But it did not deter him for a moment from being there at every possible opportunity to support his daughter.

So I know that that family will . . . that I grieve with them because I know it is very difficult to lose a parent, and certainly at a time when one perhaps least expected something like that to happen.

Finally, Mr. Speaker, I would ask that this Honourable House send a letter of condolence to the family of Doulat "Donnie" Tolaram, Mr. Tolaram. We are asking Members of the House, and everybody, the entire House. Mr. Tolaram, Mr. Speaker, was a businessman. And in his days, he actually had a business in Hamilton called Jewel of the East. And one would be able to go into that establishment and find unusual

curios that one might be able to acquire for their home.

I remember, Mr. Speaker, probably as a 16-year-old, 16- [or] 17-year-old, going into that particular establishment, they had on sale, wallets, leather wallets, which were made of cowhide. And it was actually the cow's skin, a brown-and-white wallet, as I remember very clearly, Mr. Speaker, because I purchased one, and it was my pride to be able to have something that cost as much money as it did at that time. It cost me £3.10 to buy the wallet, Mr. Speaker.

And I remember having departed with my money and coming away with this wonderful specimen of wallet that I wanted to have, only to lose it about 10 days later, along with two weeks' salary that was included therein, Mr. Speaker. So I kind of remember the shop, the owner and everybody.

Mr. Speaker, Mr. Tolaram's children, actually his sons, went to school with my sons. So I would know that our family would like to extend our sincere condolences as they grapple with the grief of the loss of Mr. Tolaram.

The Speaker: Thank you. Thank you, Honourable Member.

The Chair now recognises the Honourable Member from Sandys, the Member from North Central, it is, Sandys North Central, constituency 35, MP Dennis Lister.

You have the floor.

Hon. Dennis P. Lister: Thank you, Mr. Speaker.

First of all, Mr. Speaker, I would like to thank the Members who have associated me with earlier remarks that they have given. But, Mr. Speaker, I would like to just add two condolences to those. The first being the family of the late Albert "Bill" Darrell, who was laid to rest recently in Sandys. And, Mr. Speaker, as a Somerset man, you would know the Darrell family very much. And you know that they are a large family in the Sandys committee.

Mr. Darrell himself was one of those quiet gentlemen in the community, but a no-nonsense man. And he had a lifelong career in the Marine and Ports. And I am sure not only . . . And my colleague, Mr. Michael Scott, would like to be associated with those remarks as well. But not only will he be missed . . . And Mr. Walter Roban would like to be associated as well. I believe Mr. Roban has a family connection, no doubt. I think his father is a son-in-law of Mr. Darrell. And we know that not only will he be missed by his family, his wife, Mable, and the children, but also by the Sandys community and those that he associated with mostly in the community, Mr. Speaker.

But, Mr. Speaker, whilst on my feet, I would also like to recognise another member of the Sandys community who was laid to rest this week, and that is Ms. Shawnlette Simons. Ms. Simons, Mr. Speaker, was a mother of seven or eight children, and a young

lady who set her own course in life, some may say. But she was one that was well known in the community, and we feel for her children, Mr. Speaker, being left without their mother. And again, Mr. Michael Scott would like to be associated with those remarks as well.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Member from constituency 1, St. George's North.

MP Kenneth Bascome, you have the floor.

Mr. Kenneth (Kenny) Bascome: Good morning, Mr. Speaker.

The Speaker: Good morning.

Mr. Kenneth (Kenny) Bascome: I had no intention of speaking this morning, but—

The Speaker: Well, I am glad you are speaking.

Mr. Kenneth (Kenny) Bascome: —the Honourable Member, Minister Gordon-Pamplin, caused me to rise. The Tolaram family originally, when they first came to Bermuda, lived in the number 1 parish in Bermuda, of St. George's.

The Speaker: I see.

[Inaudible interjection]

Mr. Kenneth (Kenny) Bascome: That is what I said, number 1 parish. That is where all the history began.

I have known Mr. Tolaram all of my life. They owned a large house in St. George's. The house is still standing. And Mr. Tolaram's first businesses were in the Town of St. George's.

I also want to be associated with the regards to the Spurling family, whom I know personally, used to have little conflicts with them as a young man, because you would be aware that I was considered to be a little tyrant in my day.

The Speaker: I thought you were a nice boy.

Mr. Kenneth (Kenny) Bascome: But I tell people all the time, I always remembered, *Good morning, good afternoon, good evening, thank you, you're welcome*, and the word is r-e-s-p-e-c-t.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Are there any other Honourable Members who would care to speak?

There are no further speakers on congratulatory and/or obituary speeches.

MATTERS OF PRIVILEGE

The Speaker: There are no matters of privilege.

PERSONAL EXPLANATIONS

The Speaker: No personal explanations.

NOTICE OF MOTIONS FOR ADJOURNMENT OF THE HOUSE ON MATTERS OF URGENT PUBLIC IMPORTANCE

The Speaker: No notice of motions for adjournment of the House on matters of public urgency.

INTRODUCTION OF BILLS

The Speaker: No introduction of Bills.

NOTICES OF MOTIONS

The Speaker: And we move now to . . . I recognise the Honourable Member from Smith's South, constituency 8.

MP Cole Simons, the Government Whip, you have the floor.

ESTABLISH A JOINT SELECT COMMITTEE TO EXAMINE THE LEGISLATURE'S MANAGEMENT STRUCTURE AND GOVERNANCE

Mr. N. H. Cole Simons: Thank you, Mr. Speaker.

At the next day of meeting, I propose to move the following motion:

In an effort to ensure that Bermuda's Legislature meets the standards prescribed in the Commonwealth Parliamentary Association [Recommended] Benchmarks for Democratic Legislatures; be it resolved that this Honourable House establish a Joint Select Committee to examine, make recommendations and report to this House its findings on the Legislature's management structure and governance in order to provide an efficient and effective parliamentary service to the people of Bermuda.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

If there are no objections, that Motion will be on the Order Paper for the next day.

There are no objections.

ORDERS OF THE DAY

The Speaker: We move now to Orders of the Day, and the first Order is in the name of the Minister of Economic Development, the Honourable Dr. Grant

Gibbons, the Member from Paget East, constituency 22.

You have the floor, sir.

BILL

SECOND READING

MORTGAGING OF AIRCRAFT AND AIRCRAFT ENGINES AMENDMENT ACT 2013

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker.

Mr. Speaker, I move that the Bill entitled the Mortgaging of Aircraft and Aircraft Engines Amendment Act 2013 be now read the second time and committed.

The Speaker: Are there any objections?

There are none.

Carry on, Dr. Gibbons.

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker.

The proposed amendments to the Mortgaging of Aircraft and Aircraft Engines Act 1999, the Companies Act 1981 and the Stamp Duties Act 1976 are designed to provide greater clarity regarding the ability to properly register mortgages of aircraft and aircraft engines in Bermuda.

Section 5 of the Mortgaging of Aircraft and Aircraft Engines Act 1999 allows aircraft and aircraft engine mortgages to be registered in Bermuda, provided that the aircraft or aircraft engine is owned by, or in the lawful possession of, a company incorporated in Bermuda. However, Bermuda registered aircraft are often registered in the name of a Bermuda company as a subleasing charterer or lessee with onward subleasing arrangements to a non-Bermudian hedge group.

In these cases, the aircraft and aircraft engines are neither owned by, nor are they in the physical possession of, a company incorporated in Bermuda. Lawful possession, as in the Act, under sections 3 and 5 of the Mortgaging of Aircraft and Aircraft Engines Act, may be construed to include the holding of the leasehold interest in the subject aircraft or engine. However, the use of the term "lawful possession" has caused concern for some foreign advisors and investors. Concern for investors can lead to a potential competitive disadvantage where investors may seek jurisdictions where the rules are clearer.

Mr. Speaker, to address such concerns, the Mortgaging of Aircraft and Aircraft Engines Amendment Act 2013 amends sections 3 and 5 of the Mortgaging of Aircraft and Aircraft Engines Act 1999 to provide that an aircraft mortgage or an aircraft engine mortgage may be entered into the Aircraft and Aircraft Engine Register of Mortgages, provided that the air-

craft or aircraft engine is owned by, leased to, or chartered to or otherwise in the lawful possession of the company incorporated in Bermuda. And it is the "leased to" and "chartered to" which are being added here, Mr. Speaker.

Mr. Speaker, section 55 of the Companies Act had been amended in 2006 to add section 55(5)(c) to support the registration of aircraft mortgages granted over Bermuda registered aircraft under the Mortgaging of Aircraft and Aircraft Engines Act 1999, and replacing the requirement for registration under the Companies Act. For the sake of completeness and consistency, the Bill (that is, the Bill before us today) further amends section 55(5)(c) to make it clear that such mortgages or interest in them are able to be registered under the Mortgaging of Aircraft and Aircraft Engines Act 1999.

Mr. Speaker, section 4(b) of the Stamp Duties Act had been amended in 2009 to include aircraft within the exemptions from stamp duty. The Bill today amends the Stamp Duties Act to add instruments for the disposition of aircraft engines still listed as exemptions from stamp duty. This will mean that vessels, aircraft and aircraft engines will be dealt with equally under Bermuda law.

Mr. Speaker, the completion of the Mortgaging of Aircraft and Aircraft Engines Amendment Act 2013 is the outcome of the in-depth consultation process, which considered positions of key stakeholders within the Bermudian community.

Mr. Speaker, in closing, I wish to thank the Bermuda Business Development Corporation's Legislative Change Committee, particularly Mr. Rossiter, who worked on this, and the Attorney General's Chambers for their help in developing these amendments and their on-going effort to keep our legislation up to date.

Mr. Speaker, in some respects, it is useful to get this done now. This issue was first raised back in September of 2010. So I am pleased to be able to finally put some of these issues of clarity, with respect to these three Acts which are being amended, to rest.

Mr. Speaker, I think this will also help us to get additional aircraft and engines on the register, and as I said in a statement some weeks ago, if we can get the UK Government to extend what is called the Cape Town Convention to Bermuda, I think this will provide additional security and clarity to those who wish to register aircraft on the Bermudian Register.

Mr. Speaker, with those words, I will take my seat. And I also move that the Bill be referred to the Committee.

Thank you.

The Speaker: All right. Thank you.

We will wait and see what other Members have to say first, Dr. Gibbons.

And I will recognise first the Honourable Member from constituency 13.

[A telephone rings]

The Speaker: Please turn that phone off.

The Member from constituency 13, Devonshire North Central, the Shadow Minister of Economic and Social Development.

MP Glenn Blakeney, you have the floor, sir.

Mr. Glenn A. Blakeney: Thank you very much, Mr. Speaker.

First of all, I would like to thank the Minister for sharing his very brief brief.

The Speaker: It is a brief!

Mr. Glenn A. Blakeney: It is a brief.

[Laughter]

Mr. Glenn A. Blakeney: We on this side have no issue with it. It is non-contentious. And we would support any amendments to legislation that help to ensure best practices industry-wide, as well as the potential to attract new business to the registry.

I believe that the endeavour of the Minister to get the Cape Town Convention extended to Bermuda is a very good thing. And I wish him success on that endeavour.

There is one piece of the legislation that I think I would like some clarity on. And I think it might be more appropriate for the Minister to respond to that in Committee. And that would be under clause 5. If there could be a bit of clarity on the instruments that would be used or approved for disposition of aircraft engines to the list of exemptions from stamp duty, that would be helpful, just to know what those instruments would consist of.

The Speaker: Thank you, Honourable Member.

Will you do that in Committee, Honourable Member? All right.

Mr. Glenn A. Blakeney: I would just like to say that is under clause 5 of the proposed amendments.

The Speaker: Yes, yes, yes. I thank you, Honourable Member Blakeney.

Is there any other Honourable Member who would care to speak?

Dr. Gibbons, would you care to close?

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker.

I thank the Honourable Member for his support. And I would move that the Bill be committed.

The Speaker: All right.

Are there any objections to the Bill being committed?

There are none.

The Chair asks that the Honourable Deputy Speaker, Mrs. Roberts-Holshouser, if you would please take the Chair [of Committee].

[Pause]

House in Committee at 11:36 am

[Mrs. Suzann Roberts-Holshouser, Chairman]

COMMITTEE ON BILL

MORTGAGING OF AIRCRAFT AND AIRCRAFT ENGINES AMENDMENT ACT 2013

The Chairman: Honourable Members, we are now in Committee of the whole [House] for further consideration of the Bill entitled [Mortgaging of Aircraft and Aircraft Engines Amendment Act 2013](#).

I call on the Minister in charge to proceed. Minister, you have the floor.

Dr. the Hon. E. Grant Gibbons: Thank you, Madam Chairman.

Madam Chairman, It is a very short piece of legislation. So I would like to move all of the clauses.

The Chairman: Clauses 1 [through] 5?

Dr. the Hon. E. Grant Gibbons: Yes, 1 [through] 5. Thank you.

The Chairman: Please proceed.

Dr. the Hon. E. Grant Gibbons: Thank you.

Let me start with clause 1, which is the name of the Act. The Bill should be cited as the Mortgaging of Aircraft and Aircraft Engines Amendment Act 2013.

Clauses 2 and 3 amend sections 3 and 5 of the Mortgaging of Aircraft and Aircraft Engines Act 1999. Madam Chairman, clauses 2 and 3 make it clear that under the Act, mortgages of aircraft and aircraft engines may also be entered in the register, where the aircraft or aircraft engine is—and these are the operative words—“leased or chartered to” a company incorporated in Bermuda.

Clause 4 amends section 55(5)(c) of the Companies Act 1981. In this case, the Companies Act is being amended to make it clear that if the mortgage of any aircraft, aircraft engine or any interest in them is registered under the Mortgaging of Aircraft and Aircraft Engines Act 1999, that the mortgage shall be registered under that Act and not under the Companies Act. It was originally, I think some time ago, under the Companies Act. But this is to make it absolutely crystal clear.

Then clause 5 amends section 4(b) of the Stamp Duties Act to add instruments for the disposi-

tion of aircraft engines to the list of exemptions from stamp duty. Effectively, what this means, by *instruments [for] disposition*, is that effectively transactions involving aircraft engines are now excluded from payment of stamp duty.

Those are the comments I wish to make. Thank you, Madam Chairman.

The Chairman: Thank you.

It has been moved that clauses 1 [through] 5 be approved.

Are there any Members who would like to speak to 1 [through] 5?

Thank you. The Chair recognises Mr. Glenn A. Blakeney, Shadow Minister of Economic and Social Development.

You have the floor.

Mr. Glenn A. Blakeney: We have no objection.

The Chairman: Thank you. Minister?

[Pause]

The Chairman: Sorry. Thank you.

The Chair recognises Mr. T. E. Lister, from Sandys South.

You have the floor.

Hon. Terry E. Lister: Thank you very much, Madam Chairman.

The Chairman: You are welcome.

Hon. Terry E. Lister: With regard to clause 5, my question simply is, Was the thought (because it had not happened) that the stamping associated with these aircraft engines [was] a big enough deterrent to not make this work? And if the stamping did take place, what is the general amount that would be generated from the stamping?

The Chairman: Minister?

Dr. the Hon. E. Grant Gibbons: Thanks, Madam Chairman.

What is interesting is that there are about 720 aircraft and aircraft engine mortgages on this particular register. Of those, only six are aircraft engines, per se. So it is not a large component of these mortgages that are actually registered or listed on the register.

The fee to register is about \$800 per aircraft or aircraft engine. I think the stamp duty is going to be dependent (and I have not got it with me right now, but I can check and advise the Member), I suspect, on the value of the engine itself. But I think the issue was, even though it is a small piece of business, it was an oversight, I believe, originally when this legislation

was amended back in the 2000 period, or before now. It was an oversight that engines specifically were excluded, and this simply adds engines to aircraft as well. So that is really the purpose here. We are adding that as another exclusion from stamp duty.

But off the top of my head, I would have to check and see what the actual value is.

The Chairman: Thank you.

Are there any other Members that would like to speak to clauses 1 [through] 5?

If there are no other Members, it has been moved that clauses 1 through 5 be approved.

No objection to that motion?

No objections; agreed to.

[Gavel]

[Motion carried: Clauses 1 through 5 passed.]

Dr. the Hon. E. Grant Gibbons: Thank you, Madam Chairman.

I move the Preamble.

The Chairman: It has been moved that the Preamble be approved.

Are there any objections to that motion?

No objections; agreed to.

[Gavel]

Dr. the Hon. E. Grant Gibbons: Madam Chairman, I move that the Bill be reported to the House.

The Chairman: It has been moved that the Bill be reported to the House as printed.

Are there any objections to that motion?

No objections. The Bill will be reported to the House as printed.

[Motion carried: *The Mortgaging of Aircraft and Aircraft Engines Amendment Act 2013 was considered by a Committee of the whole House and passed without amendment.*]

House resumed at 11:42 pm

[Hon. K. H. Randolph Horton, Speaker, in the Chair]

REPORT OF COMMITTEE

MORTGAGING OF AIRCRAFT AND AIRCRAFT ENGINES AMENDMENT ACT 2013

The Speaker: Thank you, Honourable Members.

We have just completed the Second Reading of the Mortgaging of Aircraft and Aircraft Engines Amendment Act 2013. That is being reported to the House.

Are there any objections to that?

There are none.

We will move now to the Second Reading of the Public Service Superannuation Amendment Act 2013. And that is in the name of the Honourable Minister of Finance, the Honourable Minister Bob Richards, from Devonshire East, constituency 11.

Minister Richards, you have the floor.

BILL

SECOND READING

PUBLIC SERVICE SUPERANNUATION AMENDMENT ACT 2013

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

I now move that the Bill, entitled the Public Service Superannuation Amendment Act 2013, now be read the second time and committed.

The Speaker: Are there any objections?

There are none.

Carry on, Minister.

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

Mr. Speaker and Honourable Members of the House, I am pleased today to present for your consideration the Public Service Superannuation Bill 2013. The overall intent of these proposals is to allow teachers to work beyond the end of the school term during which they turn 65, until the end of the school year in which they turn 65, or in the public interest, until no later than the end of the school year in which they turn 70, and to validate the continued employment of those teachers who are already 65 years of age and have been allowed to continue in the public service.

Mr. Speaker, like many in this honourable place, I was under the impression that teachers, like civil servants, were allowed to work beyond the age of 65 with the permission of the head of Civil Service. However, it was recently brought to my attention that section 44 of the Public Service Superannuation Act (PSSA) provided that, and I quote, "Notwithstanding any other provision of this Act a teacher shall retire at the end of the school term during which he attains the age of sixty-five years."

Teachers, unlike civil servants, are not allowed to work beyond the age of 65 under any circumstances. However, we all know that they have been allowed to work beyond that age for many years. And as you know, Mr. Speaker, you are being informed today that they have been in breach of the Public Service Superannuation Act.

So, Mr. Speaker, when approached on this matter, and following consultation with my colleague in the Ministry of Education, I agreed that there needs to be a degree of flexibility in the Act to ensure that the Minister of Education is able to maintain educa-

tional services and quality to meet the needs of students.

Therefore, it is being proposed that the PSSA be amended such that teachers be treated similarly to civil servants in that they be able to be retained beyond the age of 65 when in the public interest.

Mr. Speaker, I am inviting this Honourable House to consider the repeal of section 44, which prohibits public school teachers from being employed beyond the end of the school term during which they turn 65, and that section 22, which allows civil servants to be employed beyond 65 in the public interest, be amended to include teachers.

It is also being proposed that teachers be allowed to teach until the end of the school year in [the year in] which they turn 65, or in the public interest, to no later than the end of the school year in which they turn 70, as appropriate. Mr. Speaker, this will ensure that the recruitment of teachers is only for the beginning of each school year, and not having to occur the following term as a person becomes of retirement age. It is impossible to recruit teachers during the middle of the school year, and it just makes sense to allow teachers to continue in the service until the end of the year in which they turn 65.

Since teachers have been allowed to work, in spite of legislative provisions to the contrary, it is also proposed that a provision be included in the Bill to validate the continued employment of those teachers who are 65 years of age and had been allowed to continue in the public service contrary to section 44.

Mr. Speaker, amendments are also required to the Act as a result of the decertification of the Association of School Principals in 2012. These proposals are related to the membership and quorum of the Public Service Superannuation Board. Since principals are now represented by the Bermuda Public Services Union, it is proposed to reduce the membership on the board and, correspondingly, the number of persons required to achieve a quorum,

Mr. Speaker, the proposals I have placed before the House today make sense. They provide for teachers to have similar provisions applied to them under the Act as that applied to civil servants. Most importantly, they ensure that decisions on the retention of education staff are based on what is in the best interests of our students.

I look forward to the support of both sides of this House for these amendments.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Minister.

Is there any other Honourable Member who would care to speak?

The Chair recognises the Honourable Member from constituency 18, Pembroke West Central, the Shadow Minister of Finance, MP David Burt.

Mr. E. David Burt: Good morning, Mr. Speaker. And good morning, Honourable Members.

Mr. Speaker, the Honourable Minister asks for the support of this side of the House, and I would like to let the Honourable Minister know that he has the support of this side of the House for this Act. It makes sense to bring the legislation for teachers into line with the rest of civil servants. I do believe that some Members may have some comments from this side. But we are generally in support of this measure, Mr. Speaker.

Thank you.

The Speaker: Thank you, Honourable Member.

Any other Members care to speak?

The Chair recognises the Honourable Member from Hamilton East, constituency 5, MP Derrick Burgess.

You have the floor.

Mr. Derrick V. Burgess, Sr.: Thank you, Mr. Speaker.

Though we support this Bill, Mr. Speaker, you know, this Bill . . . what has happened [is that] teachers have been discriminated against because, you know, this Bill states that they shall retire at 65, and they may go to 70.

We have to stop this discrimination of all people, regardless of what they are—teachers or whatever. And this is just piecemeal. You are just . . . What this Bill is doing is just . . . they can go to 70, provided one person makes the decision. Even that is wrong, having one person make the decision to decide whether you can work beyond 65. That should not be.

Why are we discriminating against workers, Government workers, in this country, when you have appeals court judges, most of them have gone 75? You go to the Court of Appeal in England, most of them have gone 75. We have the clergy. The clergy in Bermuda, most of them, they can go to 75, and some go even past that. We have consultants that are 80-plus years old. And that is okay! That is fine.

But why for just Government workers? Government workers have to finish at 65, regardless of what they are contributing to the country and to the job. I think this is blatant discrimination and it needs to be abolished, because some of our best employees in the world are people gone 65. Why do we continuously come here with piecemeal? Why does the Government not bring a Bill to abolish this age discrimination in the workplace for all workers, regardless? That is what needs to happen.

So, Mr. Speaker, I just hope that this Government will quickly bring legislation to abolish age discrimination in the workplace. Thank you.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Member from constituency 33.

MP T. E. Lister, Sandys South, you have the floor.

Hon. Terry E. Lister: Thank you, Mr. Speaker.

Mr. Speaker, I too support legislation to fix a problem that I did not know existed. I did not know there was a problem.

The Minister says that the teachers were in breach of the Act. How so? What was the penalty for being in breach? During my time as Minister of Education and others' time, including yourself, Mr. Speaker, our understanding was that teachers, having reached the age of 65, could continue on as substitute teachers provided they did not work over "X" number of hours. And there is some sort of hour criteria in there that everybody monitored to make sure that teachers did not lose their benefits.

Now, those over 65, most of them having retired, were quite happy to come back from time to time as substitute teachers. They really did not wish to continue on in the classroom. And so there was no perceived problem. So today's Act, which clearly is fixing something, comes as a surprise that would be fixing something that we thought did not exist in the first place.

Secondly, Mr. Speaker, the timing of this is very curious. Government has decided that it would cut back on substitute teachers. I do not know what the exact numbers are. The Minister of Education, who is in the House today, might be able to tell us what the numbers are. But there has been a severe restriction in the number of people used, and, to be honest, I am not sure how the schools manage today with the much, much smaller numbers used. As a headmaster, former headmaster, would know the requirement, the necessity, to have these people fill in on occasions that come up. So I do not know how the schools are managing.

However, at this time to actually come and act in this manner, as I said, I find it curious simply because of the drive to reduce the number of substitute teachers.

Thirdly, I am going to stand shoulder to shoulder with the last speaker, the Honourable Derrick Burgess. He has raised these age discrimination issues repeatedly. I have stood behind him and with him on it. I believe he is correct. But what bothers me even more within the Act itself, it is this one person, the head of the Civil Service, and with a post that exists from time to time. Is there a head of Civil Service today?

Silence.

An Hon. Member: Yes.

Hon. Terry E. Lister: Who? Name him.

[Inaudible interjection]

Hon. Terry E. Lister: No, no. That is the Cabinet Secretary.

[Inaudible interjections]

Hon. Terry E. Lister: Oh! So that is it. Okay. Did you hear that, Mr. Speaker? There is a head of Civil Service; it is the Cabinet Secretary.

I do not know what is going on. I am confused. I am confused, really.

[Inaudible interjections]

An Hon. Member: Come on. That's not a news bulletin.

[Inaudible interjections]

Hon. Terry E. Lister: No, I did not read that.

Now, Mr. Speaker, the real thing is that it is too much power to put in the hands of one person. We have seen what has gone on in the last two years, in particular, with some people going and some people staying. We are seeing it right now in the last year. I have seen that some people have been ushered right out, and some other people are still there.

I do not want to get into individuals. But sometimes you wonder about just what the person who has now turned 65, 66, would bring to the table at 56, but still they are there. One person making the decision.

Surely, we could have a committee of three. Maybe the head of the Civil Service could be on the committee; [he] does not have to chair it. Maybe there should be a medical or psychological doctor of some sort. Why not? You are saying you can only stay on if you are mentally competent. Is that not the requirement? Am I right on that? So if we are saying they should stay on because they are mentally competent, why not have someone who can judge mental competence? That utterly makes sense. It only makes sense.

And in the case of the teachers, why not have an outstanding school leader, a school principal that people respect to say, *Yes. I trust his or her judgment*, and have that person sit on the committee of three making the decision? I think when that committee says, *No, we are not going to continue on*, then people will say, *Okay. That is fine. No problem*. It is not one person. And we are relying on a competent medical person. We are relying on a competent person from out of the school system.

To me, it would make sense. To me, it would work. So whilst we are trying to fix a problem here today, I think the fix has the potential of either causing a problem or perpetuating a problem.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Member.

Any other Member care to speak?

The Chair now recognises the Honourable Minister from Paget West, constituency 23, Minister of Health and Seniors.

Minister Patricia Gordon-Pamplin, you have the floor.

Hon. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker.

Mr. Speaker, I am mindful of the comments and the observations made by both the Honourable Members who have just taken their seats with respect to what is deemed to be an inequity respecting the benefits of allowing people to continue to work, and also the limitations and restrictions as to who makes the determination as to whether one can stay or whether one can go.

I believe that our honourable colleague, the Honourable Member Bob Richards, in introducing this Bill, spoke to the issue of making sure that there is a fairness, and that is the hallmark of this OBA Government, to make sure that there is a fairness that is brought to the process so that people in a particular demographic are not being treated differently one from the other within that demographic.

So what we are saying is that teachers, historically, have not been treated the same as other civil servants within that 65-year-old demographic, such that civil servants have always been able to go to the next, to 70, based on the Public Service Superannuation Act, in which there are conditions. At 65, they can stay on, with other things being equal.

Now, I know that the previous Government has grappled with this particular challenge, because it is understood and it is recognised that because somebody attains the age of 65, it ought not to put them out onto the scrap heap. And we support that. I support that. However, Mr. Speaker, you will recall not too long ago when we spoke of another Bill in which the Opposition questioned why we were only dealing with one aspect—and this was in the Human Rights (and I will not reflect on the debate, but just to make reference to it)—why we were not looking at age discrimination at that point in time.

I believe that, certainly as the Minister for Seniors, I am obviously fully supportive of things that will assist our seniors to be able to achieve their optimum, to reach their optimum potential and to continue to contribute to the extent possible.

But, Mr. Speaker, you will know that this is not just a matter of changing an age number. There are significant implications when we start to look at increasing the age limit, the upper age limit under which one should be able to continue to work, and not least of which are the costs. I think the Honourable Member actually asked a question, the Honourable Member, Deputy Leader, asked a question last week on the Motion to Adjourn respecting, *Why do costs go up so high with respect to insurance coverage, and why is it*

that people have to pay so much when Government is actually making an age subsidy contribution for hospital treatment?

I think that the Honourable Member perhaps may not fully have realised with his question that not only is there the Government subsidy, the age subsidy that is paid to the hospital for treatment, there is also an element of subsidy with respect to the premium that is paid. If you look at that, if you look at the way that premium is paid for seniors—for seniors . . . If you look at the Act relating thereto, Mr. Speaker, you will understand that the costs that are incurred by the Government, not just with respect to the age subsidy, but also with respect to subsidising premiums for seniors, are substantial and significant.

So we cannot, in all fairness to seniors, both in terms of whether they are teachers or any other civil servant, just come without careful thought and careful planning to say that we allow the floodgates to open to say that people can continue to stay on.

Now, as the Minister of Seniors I am very sensitive to this, as you can be aware. So that this is kind of . . . I am caught between a rock and a hard place. Because on the one hand, I am required to advocate for our seniors—and that I do—and recognise what they bring to the table—and that I do. I appreciate and I understand. But on the other hand, we also have to look at the total equation as to what it starts to cost.

When one passes the age of 65, automatically your insurance premiums raise exponentially so that that becomes a burden on the public purse to be able to fund those additional premiums, the additional benefits. So it is not just a question of saying, *We can change the number and therefore eliminate what may be deemed to be egregious*, we have to be able to think it through. And I would certainly hope, Mr. Speaker, that the Opposition will understand and support us in working through this challenge. Because at the lower end, Mr. Speaker, you cannot speak of one with the exclusion of the other.

At the lower end of the age spectrum, when people come into the workforce, Mr. Speaker, when parents spend money to send their children away to school . . . We had the debate on who is eligible for scholarships and how much money should be given. When our young people complete their university studies and they come home in their chosen profession and are told that, no, they cannot have a job in their particular area of endeavour because we have not been able to provide the space, the workability for our younger people to move into their chosen professions, because at the top end we have to maintain the upper level of employees, it creates an imbalance. It creates an imbalance in terms of the costs that have to be covered, and we have to consider that.

I know the Honourable Member is, by way of interpolation . . . and I do not have a problem with the interpolations, because the Honourable Member indi-

cated that I hired a consultant who was over the age of 80, which is very true, Mr. Speaker. But I can tell you, when one looks at having someone for a specific period of time with no additional benefits, that is not something that falls within the category of what the Honourable Member was speaking to earlier.

So I am mindful and appreciative of the concerns. But I do not believe that we can look at this with a slipshod approach or attitude. It is something that must be studied in-depth. Because if we are looking to try to ensure that we can afford to run this country, we have to be able to know that the decisions that are made are in tandem with that level of sustainability and affordability.

I am completely sympathetic to what the Honourable Member has said. I also am completely mindful . . . and I note very carefully that nothing in this regard has been done in the last 14 years to be able to fix this situation. And you can be assured that we are not going to be able to have fixed it—and I am sure that it was not fixed in the last 14 years because the very same considerations that are on the table today are the ones that the former Government would have grappled with. So I believe that this is one instance in which we have to embrace each other and work together to find a solution that is for the common good.

The Honourable Member spoke of 75- and 80-year-old judges. And, you know, I think if you look in a US context, one of the Supreme Court judges was like 90-something. And then you start to question what is being brought to the table. But, with that said, we have to look specifically to our geographical situation and know what obtains here in Bermuda for us. And we have to be pragmatic with the decisions that we make.

We also have to be tremendously thorough. And we cannot afford to deal with this matter in an offhanded, slipshod kind of manner. So I certainly hope that the Opposition will help to support our study, our in-depth study of those things that will be required in order to ensure that we have the level of equity that the Honourable Member spoke to.

But I think it is very, very important at this particular point, in order to support this particular Bill that we are discussing today, to know that we have not been left with a situation in which our teachers are being treated differently from the rest of the civil service.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Minister.

The Chair now recognises the Honourable Member from constituency 3, St. David's, the Opposition Whip, MP Lovitta Foggo.

You have the floor.

Ms. Lovitta F. Foggo: Thank you, Mr. Speaker.

Mr. Speaker, I do feel duty bound to get up and speak on this. I first want to thank the Government for having, I guess you can say, the foresight to make a change which I think is beneficial to the teaching community, which is to allow teachers, if they wish, to teach up to the age of 70. But I likewise must concur with other Members who have spoken and say that I am against ageism. And it does need to be a change wholeheartedly in terms of discrimination against members who are 65 and older. And that is throughout the entire Government [gamut].

Mr. Speaker, there is another issue that does come. First of all, I am surprised that they are now calling teachers "civil servants," because, as you know, Mr. Speaker, teachers were never considered to be civil servants, even those who work in the public domain. So I guess henceforth those teachers who do work for Government will be, like other Government workers, considered civil servants. I do not know.

But, Mr. Speaker, what I want to point out is that teachers, unlike prison officers, police officers, are not able, if after 20 years of service, like those services, are not able to retire after 20 years of service. If you are a teacher, you start young, you are working 20 years and you want to, I guess, move on. You cannot, like some of those other professions or jobs, you cannot leave your post, walk away from your post, say you are leaving and then enjoy pension.

If you are working for the prisons, after 20 years of service, I believe it is, you can. If you are a police officer, after 20 years of service you can. So there are some anomalies, Mr. Speaker, that I do think need to be pointed out. And, Mr. Speaker, for those who work at the Bermuda Regiment, they can retire at the age of 55, but cannot collect on their pension until they are at least 60 years old. And so I think, in trying to get things right, the opportunity exists for the Government to look at the other anomalies.

If we are talking about having a level playing field, across Government, then they have to look at all of those areas. And what is good for one is good for all. So that if a prison officer can retire after 20 years of service, then a teacher should be able to retire after 20 years of service, if he or she chooses to retire at that point in time in their career.

I guess until we get everything equal for all, so to speak, then there will always be situations that arise where people can stand up and say, *Hey, I am being hard done by. You are treating me differently.* And to get rid of that sort of issue, I invite the Government to try and deal with all of those anomalies so that, if we are all civil servants, we are being treated equally throughout, no matter what Ministry it is, what department within that Ministry, everyone is being, I guess you can say, treated the same way. Every Government worker is being treated the same way.

Mr. Speaker, the other thing I just quickly wish to mention is that I, too, believe that no one person should have final say. Because often what happens is

that one individual cannot speak in totality to the professionalism of the individual that comes before them seeking retirement. I think to avoid a situation where there can be cries of being treated differently, being treated unfairly, if one sits before a panel which is tasked with looking at the work performance of the individual and the like, and a decision is rendered which says, *Yes, this person is not just competent, they are an excellent worker. They are seeking five more years to work within this industry*, I think the result might be better respected if you have more than one head involved in the decision making process.

And so, in accordance with other Members who have stood and given their commentary regarding this legislation today, I feel, as I have said before, that if we really want to get it right, then we must engage in behaviours and measures that provide that level playing field and treat all civil servants, Government workers, the same.

So on that particular note, Mr. Speaker, I will take my seat.

The Speaker: All right. Thank you, Honourable Member.

Are there any other Honourable Members who would care to speak on this matter?

There are no other Members caring to speak.

The Chair will recognise the mover of the second reading, the Minister of Finance.

Minister Bob Richards, you have the floor.

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

I thank the Honourable Members for their comments and insight. I just have a few things, a few responses to some of the comments made.

Firstly, the Government did not cut back on substitute teachers. We set a dollar amount that needs to be spent on substitute teachers, and the number of substitute teachers fall under that amount, as opposed to cutting back the number of substitute teachers.

I found the comments on having one person make a decision interesting. In the first place, I think it has been made clear in the comments across the board that the head of the Civil Service, if you do not have a separate person as the head of the Civil Service, then the Cabinet Secretary performs that role. But it is interesting that people seem to have a problem with some individual making a decision.

I thought that that was what an executive position was all about, Mr. Speaker. Executives are hired to make decisions. Therefore, it is very, very common in the world for an individual to have the power to make decisions. So that is not unusual. Sometimes, we have tribunals and boards that make decisions, but, quite frankly, most decisions are made by individuals. So that is not that unusual.

Insofar as the age discrimination issue is concerned, as someone who is past a magic age, I sym-

pathise with the Honourable Member who brought that up.

[Inaudible interjections and laughter]

Hon. E. T. (Bob) Richards: However, I can say that, you know, these are the terms of employment. When a person came into the Civil Service, they knew that they had to retire at 65. So it is not as though it is a surprise. It is not a surprise. It is a part of the terms of employment. And insofar as a decision to change this aspect, as my honourable colleague, Minister Gordon-Pamplin, ably stated, there are a whole host of ramifications, most of them unknown, that will flow from the change of retirement age of 65.

I believe that I am correct. I think after World War I in Germany they decided that people should retire at 65. And the whole world has adopted that number since then. Therefore, pension plans and health care plans are all geared to that number. So you just cannot change the number without influencing all of these things. And the ramifications of these—some of them are known, but some of them are unknown. And in order to make a change of that nature one has to try to make those unknowns to be known. It would take quite a bit of time to do that.

The Honourable Member talked about differences between civil servants and teachers and differences between civil servants and the uniformed employees of Government; i.e., the police and prison officers. I think the terms and conditions of employment for uniformed services have always been different. There has been recognition that their jobs are more inconvenient and more dangerous. So they have different terms of employment, although some would say that the terms of employment for teachers these days is dangerous.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: I mean, that is why they have different terms of employment, because it is recognised that those jobs can be dangerous and certainly can be inconvenient because of shift work.

I wanted to make the correction that civil servants are civil servants, and teachers are not civil servants. Even though we are making a move to make some of the terms of their employment similar—or equivalent, even—to civil servants, teachers are still not considered to be civil servants.

So with that said, Mr. Speaker, I would like to now move that the Bill be committed.

The Speaker: Yes, thank you.

Are there any objections to the Bill being committed?

There are none.

I will ask the Deputy Speaker, Mrs. Roberts-Holshouser, if she would take the Chair [of Committee].

[Pause]

House in Committee at 12:20 pm

[Mrs. Suzann Roberts-Holshouser, Chairman]

COMMITTEE ON BILL

PUBLIC SERVICE SUPERANNUATION AMENDMENT ACT 2013

The Chairman: We are now in Committee of the whole [House] for further consideration of the Bill entitled [Public Service Superannuation Amendment Act 2013](#), for further consideration.

I call on the Minister in charge to proceed. Minister, you have the floor.

Hon. E. T. (Bob) Richards: Thank you, Madam Chairman.

I would just like to move all clauses, clauses 1 [through] 7. And I will just go through them in turn.

Clause 1 is self-explanatory.

Clause 2 amends section 22 of the principal Act by inserting subsection (1A) in there.

Clause 3 amends section 24 of the principal Act by inserting sections 24(4) and 24(5). Section 24(4) provides that a teacher may elect to defer the payment of his pension until he ceases to be employed in the public service. And section 24(5) provides that [teachers] must exercise such election before the expiry of 30 days after they have turned 65.

Clause 4 amends section 32 of the principal Act by inserting section 32(3), which provides that if a teacher does not exercise an election to defer their pension, the pensions begin to accrue to them on the day following the day they turn 65 and will be paid to them in arrears on monthly instalments.

Clause 5 repeals section 44 of the principal Act, which requires teachers to retire at the end of the school term during which they turn 65.

Clause 6 amends Schedule 1 of the principal Act. It decreases the membership of the Public Service Superannuation Board from 15 to 13, and the quorum from 8 to 7 members.

Clause 7 provides for the validation of the employment of those teachers who, before the coming into operation of this Bill, were permitted to continue in the public service after the end of the term during which they turned 65. This clause also validates the payment of pensions from the age of 65 to those who were permitted to continue to be employed as teachers after attaining that age.

Those are my comments on the clauses, and I would welcome Members' comments. Thank you.

The Chairman: Thank you.

It has been moved that clauses 1 [through] 7 be approved.

The Chair recognises the Shadow Minister of Finance, Mr. E. David G. Burt, from Pembroke West Central.

You have the floor.

Mr. E. David Burt: Thank you, Madam Chairman, and good afternoon to you.

Just as said in the House, we will support this legislation. And the technical points, I think we obviously spoke on the merits before.

Just one question, I guess, following on from that debate, and it deals with clause 2, subsection (1A), and where it says that individual teachers may be permitted . . . regarding the head of the Civil Service. The only reason I ask it is because I think that it is an interesting choice. Seeing that teachers are not technically classified as *civil servants*, would it not be the Commissioner of Education or the Education Board that may be the more responsible person to determine as to whether or not someone should remain in place?

Thank you.

The Chairman: Thank you.

Are there any other Members that would like to speak to clauses 1 [through] 7?

The Chair recognises Mr. T. E. Lister, from Sandys South, constituency 33.

You have the floor.

Hon. Terry E. Lister: Thank you, Madam Chairman. Working backwards, if you will allow me.

The Chairman: Absolutely.

Hon. Terry E. Lister: Clause 6 amends Schedule 1, reducing the size of the committee, the Public Service Superannuation Board, from 15 to 13, and the quorum from 8 to 7. I wonder if the Minister might tell us why that is the case.

Normally, given people's busy schedules and that sort of thing, we see boards being increased. It is very unusual to see them being decreased, especially given the seriousness of the work that this board must do. So I would be very interested in knowing why the Minister sees fit to come and legislatively—because this is firm once we legislatively change it . . . I would be really interested in knowing why he feels the need to do this.

And then secondly . . . we are now in education class. I would like to be educated. I would like the Minister to explain in laymen's terms clauses 3 and 4. I read them through. I was confused. I really do not understand what the actual legalese is saying. So if the Minister could just tell me in plain old English, we'll be okay, and I will be with him.

Thank you.

The Chairman: Thank you.

Are there any other Members?

No other Members.

Minister, would you like to take the floor?

Hon. E. T. (Bob) Richards: Plain old English. Not too much of that around here.

[Laughter and crosstalk]

Hon. E. T. (Bob) Richards: Madam Chairman, the question on the Head of the Civil Service was that, in spite of the fact that teachers are not civil servants, they are in the public service. And the head of the public service is the Cabinet Secretary, or the Head of Civil Service. That is how we get to that.

The question on the size of the board relates, as I mentioned in my opening remarks, to the fact that the Association of School Principals is no longer. And I guess they had a representation on the board. All right?

[Inaudible interjection]

Hon. E. T. (Bob) Richards: That is correct. The de-certification of the Association of School Principals took place last year. Therefore, seeing that that no longer exists, they do not have to have their representation on the board. So that is why that board is decreased in size.

Now, as to clause 3, I thought I was fairly clear in this. But the Honourable Member says that I was not. I do not know if it is worth repeating. Do you want me to repeat what I said, Honourable Member? I think that the teachers may elect to defer payments of their pension. When they are over 65, they can elect to defer their pension. But they have a choice. They have an option.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: That it is. So, you know, they can take it or they cannot take it. And that is what these clauses are trying to regularise.

Hon. Terry E. Lister: Madam Chairman, the confusion I have is when you come down to clause 4, where it now says, if you defer until you cease your employment, then your pension that you start at age 65 . . . That just confused me. I did not really understand what that was saying.

The Chairman: Minister?

Hon. E. T. (Bob) Richards: I think it says, you know, if you defer and you retire, then your pension starts.

Hon. Terry E. Lister: No, I was reading this as, if you defer it, and you are still working.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: You have an option.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: You can work and take it, or you can work and not take it.

[Inaudible interjections]

The Chairman: Minister, would you like to have a seat? And would the Member like to . . . Do you need further clarification?

[Inaudible interjection]

The Chairman: Oh, okay.

[Inaudible interjections and laughter]

The Chairman: Thank you.

Are there any other Members that would like to speak?

Thank you. The Chair recognises the Opposition Whip, Ms. Lovitta F. Foggo, from St. David's, constituency 3.

You have the floor.

Ms. Lovitta F. Foggo: Thank you, Madam Chairman.

My question is based on clause 2. And again, it has to do with one person having the authority and making the decision.

When you apply for a job in the Department of Education you have to sit before a panel who determines whether or not you are worthy of becoming a teacher. And I guess I would just say, for consistency, it would seem more appropriate that, in terms of continuation as a teacher, you sit before a like panel who will determine whether or not you may continue from the ages of 65 to 70. And I just wanted to raise that for consideration.

The Chairman: Thank you.

Are there any other Members?

The Chair recognises the Shadow Minister of Finance, Mr. E. David G. Burt.

You have the floor.

Mr. E. David Burt: Madam Chairman, I am quite certain you have your eye on the clock.

Just getting back to the same point on clause 2, and I was just hoping, because I do see that the Minister of Education is in the Chamber . . . and I guess the question is just for clarification purposes and for the record as to who is actually making a deci-

sion that a teacher stays past the age of 65? I think that is the question. Clearly, it is not the Cabinet Secretary down in the Cabinet Office. So the question is, Who is the one making that decision?

We understand what is here. But the question is, Who is the one who is actually making that decision that a teacher can stay on past the age of 65?

Thank you.

The Chairman: Thank you.

Minister, would you like clarification of the amendment to section 22, which clearly does say the Head of the Civil Service? Please clarify.

Hon. E. T. (Bob) Richards: I think, as it says in the US Constitution, some things are self-evident. And this is self-evident: the Cabinet Secretary.

I appreciate the comments of Honourable Member, Ms. Foggo, about a person making a decision. But, you know, you have to be aware of the fact that some people say that a camel is a horse designed by a committee. So sometimes it is easier to have somebody, just one person, make a decision in this case.

The Chairman: Thank you.

Are there any other Members?

The Chair recognises the Shadow Minister of Finance. You have the floor.

Mr. E. David Burt: I do not believe I got an answer to my question, Madam Chairman.

Can the Minister please clarify—instead of saying “self-evident”—who is responsible for saying that teachers stay past the age of 65?

The Chairman: Minister?

Hon. E. T. (Bob) Richards: Madam Chairman, I did say the Cabinet Secretary. Perhaps if the Honourable Member would listen to my entire answer, he might be informed. Because I said it is self-evident that it is the Cabinet Secretary. I did say that.

The Chairman: Thank you.

The Chair recognises the Shadow Minister of Finance.

Mr. E. David Burt: I am hungry, Madam Chairman, so I am not going to belabour the point. But I guess, as I said earlier in my topics, I cannot imagine that the Head of the Civil Service in this case, or the Cabinet Secretary, who is not associated with the Department of Education and has no input into the hiring of teachers, is the one to make the determination as to whether a teacher should be extended. It just does not make sense to me.

So I am just asking for clarification, but he seems to think that it is the Head of the Civil Service,

the Cabinet Secretary, who is making determinations. So I am guessing it is not the Board of Education. It is not the Commissioner of Education. It has nothing to do with the Ministry of Education in that aspect.

So I just want to make sure that that is clear. Thank you.

The Chairman: Thank you.
Minister?

Hon. E. T. (Bob) Richards: Should we proceed?

The Chairman: Minister, at this point, would you prefer . . . I am sure that the Honourable Member who just took his seat wanted to make sure it was clear for the records.

Hon. E. T. (Bob) Richards: Yes. I think so.

The Chairman: So if you would like to . . .

Hon. E. T. (Bob) Richards: I think, if we can, let us say we can move on.

The Chairman: We can move on?

Hon. E. T. (Bob) Richards: And we can move all the clauses, clauses 1 through 7.

The Chairman: Correct. It has been moved that clauses 1 through 7 be approved.

Is there any objection to that motion?

No objection; agreed to.

[Gavel]

[Motion carried: Clauses 1 through 7 passed.]

Hon. E. T. (Bob) Richards: Could we move the Preamble, please, Madam Chairman?

The Chairman: It has been moved that the Preamble be approved.

Is there any objection to that motion?

No objection; agreed to.

[Gavel]

Hon. E. T. (Bob) Richards: I move that the Bill be reported to the House, as printed.

The Chairman: It has been moved that the Bill be reported to the House, as printed.

Is there any objection to that motion?

No objection; agreed to.

[Gavel]

The Chairman: The Bill will be reported to the House, as printed.

[Motion carried: The Public Service Superannuation Amendment Act 2013 was considered by a Committee of the whole House and passed without amendment.]

House resumed at 12:34 pm

[Hon. K. H. Randolph Horton, Speaker, in the Chair]

REPORT OF COMMITTEE

PUBLIC SERVICE SUPERANNUATION AMENDMENT ACT 2013

The Speaker: Thank you, Members. The Bill, the Public Service Superannuation Amendment Act 2013, has been approved as printed.

Any objections to that?

There are none.

And that brings us . . . Mr. Premier?

Hon. L. Craig Cannonier: Certainly. Thank you, Mr. Speaker.

I move that we break now for lunch.

The Speaker: Thank you, Premier.

The House will now adjourn to 2:00 pm.

[Gavel]

Proceedings suspended at 12:35 pm

Proceedings resumed at 2:01 pm

[Hon. K. H. Randolph Horton, Speaker, in the Chair]

The Speaker: Members, we are on Order No. 3, Government Loans Amendment Act 2013, in the name of the Minister of Finance, the Honourable Bob Richards, the Member from constituency 11 Devonshire East.

Minister Richards, you have the floor.

BILL

SECOND READING

GOVERNMENT LOANS AMENDMENT ACT 2013

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

Mr. Speaker, I move that the Bill entitled the [Government Loans Amendment Act 2013](#), which I think is going to be changed to the Government Loans Amendment (No. 2) Act 2013.

The Speaker: Right, right. So you would like to . . . you would like to amend the title.

Hon. E. T. (Bob) Richards: Yes, sir.

The Speaker: Well, maybe we can do that first if you could move that the title be amended, and if we can get agreement on that then we can move ahead.

AMENDMENT TO TITLE OF BILL

Hon. E. T. (Bob) Richards: Mr. Speaker, I move that the title be amended to read the Government Loans Amendment (No. 2) Act 2013.

The Speaker: All right, thank you.

The Minister has moved an amendment, that the Government Loans Amendment Act 2013 be amended by deleting the title to the Bill and substituting Government Loans Amendment (No. 2) Act 2013.

All those in favour of that motion, say Aye. Those against say, Nay.

AYES.

The Speaker: The Ayes have it.

[Motion carried: The Government Loans Amendment Act 2013 amended to read the Government Loans Amendment (No. 2) Act 2013.]

The Speaker: Minister Richards, you may continue in the name of the Government Loans Amendment (No. 2) Act 2013.

GOVERNMENT LOANS AMENDMENT (NO. 2) ACT 2013

[Title as amended]

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

Mr. Speaker, the [Government Loans Act 1978](#) provides for the Government's authority to borrow money, the maximum amount that may be borrowed, the establishment of a Sinking Fund by which to repay such borrowing, and related matters.

Mr. Speaker, Honourable Members will recall that on June 14th of this year I made a Ministerial Statement advising Honourable Members of the Ministry of Finance's new multi-year borrowing strategy. I also indicated that the Government Loans Act 1978, as currently drafted, did not anticipate multi-year budgeting and financing. And in order to address this restriction, the Government Loans Act 1978 will be amended to accommodate this objective. The Bill now before the House proposes to amend the Act to meet these objectives.

Honourable Members are advised that the Ministry of Finance is in the process of strengthening budget formulation by introducing multi-year budget-

ing that will build on the zero-based budgeting approach. As far as this multi-year budgeting, the Ministry of Finance, in conjunction with the Public Debt Management Advisory Group, has been reviewing its borrowing arrangements and practices used to finance ongoing budget deficits.

Mr. Speaker, it is important to emphasise that this Ministry and this OBA Government recognise the importance of proper medium-term financial planning and is unequivocally committed to the elimination of Government deficits. Steps towards that objective are still a work in process and will be revealed at the appropriate time. However, in the meantime, it is forecast that the Government will likely run operational deficits for the next three to four years.

Mr. Speaker, although the previous administration referred quite often to the implementation of a medium-term expenditure framework, their actual method of debt financing remained unchanged. That is, the method was to borrow money either through bank lines or bond issues for the current fiscal year. There has never been a multi-year financing until now. I can now advise the Honourable Members of the House that the Government's next bond issue (expected this summer) is anticipated to cover up to three years of Government operating deficits. The amount to be raised will be in the range of \$400 [million] to \$800 million. If conditions are favourable, we plan to issue at least two separate tranches—a US dollar institutional tranche and a Bermuda dollar local tranche. Also there will likely be three distinct investor groups targeted for subscription; namely, local retail Bermuda investors, Bermuda-based US dollar institutional investors, and global institutional investors.

Mr. Speaker, Honourable Members and the public may ask why we have decided to make this strategic change. I can advise the reasons are as follows:

We consider we are in the last phase of the ultra-low US dollar interest rate cycle. As the US economy gains strength, the US dollar interest rates, and, therefore, bond yields and borrowing costs, are likely to rise. And just by way of update, Mr. Speaker, today the US Government announced job creation figures. There were 195,000 new jobs for the month of June, which was, I think, 30,000 to 40,000 more jobs than economists had forecast. So this comeback of the US economy continues apace. So borrowing three years' worth of deficits now will save the Government tens of millions of dollars in interest costs.

This will give us certainty of financing as well. Instead of borrowing on a year-to-year basis in a rising interest rate market, we will be locking in rates . . . three years' rates at low interest rates. It will demonstrate that we are asserting control of our deficit situation instead of being constantly reactive. It will also demonstrate to rating agencies that we are tapping the local money markets as they have repeatedly recommended.

Mr. Speaker, the Ministry has completed its review of responses from a variety of investment banks to manage this upcoming bond issue, and we have selected JP Morgan and Barclays to be the financial institutions to manage the issuance of this debt. JP Morgan and Barclays were selected as the preferred lead financial institutions to manage the issuance of the bonds due to the fact that they have the resources and experience to ensure efficient and effective execution of the transaction. JP Morgan is the leading underwriter in the Caribbean/Latin American sector, and it is the predominant sovereign debt house globally. Barclays is also a leading underwriter and has been the number one underwriter and bookrunner for sovereigns for the years 2011 to 2013. We looked at a number of institutions to get to this place, Mr. Speaker, including local banking institutions. In any event, we will be using the local banking institutions as it relates to the Bermuda dollar portion of this financing.

Mr. Speaker, I can confirm that we have already apprised the rating agencies of our change in strategy. The logic of this strategy (as stated) is easy for everyone to understand. Honourable Members and the Bermuda public may well ask, *What about the debt ceiling and new debt rules that we recently enacted? Are we breaking our own rules?*

Mr. Speaker, the answer is no, we are not breaking our own rules. Public debt is defined by a simple formula—gross debt outstanding minus money in the Sinking Fund. We intend to borrow up to three years' worth of deficits. Excess funds borrowed that are not required for the current year will be deposited in the Sinking Fund, thereby reducing Government's net debt position. This means that the public debt as defined would only rise by one year's worth of deficits. We will take money out of the Sinking Fund as needed to finance the deficit in future years. The money placed in the Sinking Fund from this bond issue will be prudently invested until it is needed.

Mr. Speaker, Honourable Members and the general public may also well claim that this Government is renegeing on its promise to reduce public debt. The answer to this question is in two parts. One, this strategy will save the Treasury millions of dollars depending on what interest rates do in the next three years. One thing we do know is that interest rates are not going down. Saving that kind of money reduces the debt.

And, two, we must all accept that the debt will not be reduced overnight. It was not created overnight so it will not be reduced overnight. We would have had to have borrowed this money anyway. It is only a question of timing. We choose now because we have the advantage.

Mr. Speaker, the Bill currently before the Honourable House will support multi-year financing by providing for (among other things) the following:

- amending section 2 of the Act to allow excess funds borrowed to be paid into the Sinking Fund;
- amending section 12(2) of the Act to provide that there shall also be paid into the Sinking Fund any excess or residue of loan funds received that are not immediately going to be used;
- amending section 12A to provide that monies that may be invested under the Public Funds Act 1954 as provided for in section 12A(1B) include proceeds of loans that are placed in the Sinking Fund; and, lastly
- amending section 12A to also provide that monies in the Sinking Fund can be applied to future year deficits.

Mr. Speaker, the Government remains committed to prudent and sensible borrowing. This borrowing strategy will allow the Government to lock in historically low rates and take advantage of strong current global demand for investment-grade assets. The proposed borrowing strategy is sensible and provides certainty of future borrowing.

So, Mr. Speaker, with those introductory remarks, I now read for the second time the Bill entitled the Bermuda . . . the Government Loans Amendment (No. 2) Act 2013.

Mr. Speaker, it is anticipated that the Bill will become quite clear to Members as we go into Committee.

Thank you.

The Speaker: All right. Thank you, Honourable Minister.

The Chair will now recognise the Honourable Shadow Minister of Finance from Pembroke West Central, constituency 18, MP David Burt.

You have the floor.

Mr. E. David Burt: Thank you, Mr. Speaker, and good afternoon. I hope that you had a good lunch.

The Speaker: I had a lovely lunch.

Mr. E. David Burt: That is good to hear, sir.

The Speaker: Absolutely.

Mr. E. David Burt: Mr. Speaker, as I begin, of course, in the whole House we are discussing the objects and the principles of the Bill and I think that the technical aspects are simple. But right now we certainly have a few challenges.

Now, before I go forward with this, Mr. Speaker, I was wondering if the Minister . . . I heard his statements in which he said that the investment house has been chosen and they are going to be working with the local banks. I was just wondering . . . and I

am prepared to yield if the Minister would be able to answer (because it will give me some better clarity on my statements to make sure that I am not off base), does the Minister have any better indication as to the size and timing of the issue insofar as when it will be, and if he expects it to reach up to the full \$800 [million] or larger? I was just wondering if he was prepared to answer that because it will lead into some of my remarks.

The Speaker: Minister, would you care or would you just like him to . . .

Hon. E. T. (Bob) Richards: I always—

The Speaker: Have a seat, Honourable Member. Thank you.

Hon. E. T. (Bob) Richards: —like to oblige the Honourable Member.

Yes, we are likely to use the entire \$800 million. I cannot say how much will be in Bermudian dollars and US dollars yet. And we need to get all of this process out of the way ASAP, so that we can take advantage of market opportunities as they arise.

The Speaker: All right. Thank you.

Mr. E. David Burt: Excellent, I—

The Speaker: Honourable Member.

Mr. E. David Burt: —thank the Minister for explaining that because I guess that that means that his objective is to go to the market as soon as possible. Right now and he is looking . . . to be for the full \$800 million.

So as I begin, Mr. Speaker, of course on this side we recognise the need for the Government to continue to finance its ongoing operations and the capital spending plans. We understand that Governments need to borrow. Governments around the world borrow. And we understand, of course, the need to refinance our existing obligation.

But there is challenge, Mr. Speaker, that we have on this side. And the challenge is that once again we are being asked to give approval with minimal plans, minimal details, minimal ideas. The thing is that we are just being [told], *Give us the approval and trust us to do the right thing*. And I do not believe, Mr. Speaker, that that is what we should do in this House.

I am going to back to quote the Honourable Minister of Finance. In February, the Honourable Minister of Finance said (and I quote, Mr. Speaker), "Never in the history of Bermuda has a Government come out and put an actual debt plan on the table!" [[Official Hansard Report](#), 4 March 2013, page 365]

Mr. Speaker, I have to say today that I agree with the Honourable Member, because we have yet to

see a debt management plan from this Government at all. And this is a challenge. We are being asked to approve a measure that is going to basically give the Government the power to borrow up to the full existing debt limit. Before the Government was constrained insofar as borrowing money to meet current year obligations, now we are giving the power to borrow a huge sum of money without any idea of the debt management plan that is going to take place.

We have heard about a private committee which is advising the Minister of Finance. The Minister of Finance did provide to me the name of the Members of his Committee. But the thing is that we, Mr. Speaker, do not have any details. Surely, when the Minister of Finance goes out to the investment community he is going to lay out a roadmap on how the Ministry and his Government intend on dealing with the debt situation in Bermuda. Surely, he is going to be able to say how they are going to get to a point of balancing the budget or when they are going to get back to balance the budget, or else (if there is no confidence there) our interest rates would be a lot higher than they would have been.

So I am certain that there is a plan, Mr. Speaker. The challenge is we in this Honourable House have not been fortunate enough to understand . . . to hear exactly what the plan is. So I am hoping that when the Minister does have a chance to respond he will enlighten us on what the plan is going forward because, as he said, they have a debt plan on the table. I would just ask for him to share that debt plan so the country can be informed of it.

Now I do have a few specific questions for the Minister of Finance on that particular issue as we are looking at this overall Government Loans Amendment Act. When does the Minister anticipate for the budget to actually be balanced? When does he think that borrowing will end?

In his comments he said that this will be financing up to three years of borrowing—he said “up to” he did not say three years specifically, he said “up to.” So when does he believe that in his view and in his projections, the budget will be balanced? I think that that is a very key question to ask because surely the Minister has a plan.

And it would be nice if he could share with this House the plan that he has. So I am asking that he would share that and answer the question to this House when in his view does he believe that the budget will be balanced? And assuming that the Minister has a five-year term, does he believe that he will be able to balance the budget in that time?

[Inaudible interjection]

Mr. E. David Burt: We will make the assumption. Until the Constitution changes we will stick with what it is.

The Speaker: Speak to the Speaker.

Mr. E. David Burt: Absolutely, Mr. Speaker.

The Speaker: Yes.

Mr. E. David Burt: So, Mr. Speaker, I hope to hear more from the Minister on this because I think it is very important.

The fact is that we are going out to markets and the Minister is representing the people of Bermuda. This is a very weighty and large issue and I think that in order for all Members of this House to say, *Yes we agree; we are going to let you open up the credit card and charge up to the maximum limit and use the funds as you feel best*, we should have an idea of the public debt management plan. And I do not believe the public debt management plan should be private with a small group of informally selected investors and advisors. I think that we should actually know what it is and we have yet to have that been laid to this House. So I would ask the Minister to enlighten us on that when he has a chance.

Going forward on that, Mr. Speaker, and it was just a clarification, because it is interesting that the tone has changed. And I say that because when the Honourable Minister of Finance was sitting in this seat over here, he made some comments when the Government of the day had planned on borrowing money in Bermuda dollars. And I just want to read him his quote, because two years ago he said, “So if you borrow Bermuda dollars the only thing that that is going to do is use up foreign exchange reserves that Bermudians have. That is what it is going to do. It does not get around the problem.” [[Official Hansard Report](#), 7 March 2012, page 1239]

Now I understand the reasoning because we were promoting on this side . . . I guess the question that I would have for the Minister of Finance is, Has he changed his view? Does he now feel that having a Bermuda dollar issue is acceptable, when two years ago he was criticising a Bermuda dollar issue?

I would like for that question to be answered because I think it is important that we understand the direction that this Government would like to go when it comes to our overall public debt management.

Now Mr. Speaker, if I can move on to the merits of this particular question because I think that this is the most critically important issue, What does the Government plan to do with this funding? If we are going to the market for \$800 million, as the Honourable Minister of Finance has stated, and our borrowing requirement as projected in the budget this year is \$330 million, that leaves \$470 million available for investment, in addition to the monies which are already in the Government Borrowing Sinking Fund.

Now, the Minister of Finance has wide latitude under the Public Funds Act 1954 which says that the Minister of Finance (although there is a Public Funds Investment Committee) is the one who is responsible for making those decisions. And it gives a wide lati-

tude of things that he is able to invest in. The Minister of Finance in his opening remarks said that the monies will be “prudently invested.” And then he said that they will be invested in “investment-grade assets.”

Well, Mr. Speaker, investment-grade assets covers a very wide barometer of investment classes. So I was wondering if the Minister could possibly shed some more light on that. And the reason why I say that, Mr. Speaker, is because this is a large amount of money which we are . . . which we are . . . although the Government of Bermuda manages huge funds, whether it be Pension Funds, et cetera, right now what we are looking at here is a large amount of the money that the Minister has said he is going to prudently invest.

The question is . . . and a few questions are on this, Mr. Speaker. Does the Minister expect to earn more on the investment of this money than the interest rate that he expects on the \$800 million bond offering? Does he intend to turn a profit on the investments of the additional funds that he will put into the Government Borrowing Sinking Fund? I think that that is a question that we would like to know because if that is the case, Mr. Speaker, then I think that although that may raise a few flags about an inherent level of risk it will also shed light on how the Government feels that this is a good idea and how the Government feels that this may actually make money for the Bermudian people in the long run.

The next question that I have, Mr. Speaker, is who precisely is going to be managing these funds? And I think that that is an important question. And the reason I say that is because we are talking (as I said) about half a billion dollars. Although the Public Funds Act gives the Minister of Finance the responsibility, Mr. Speaker, I am certain that the Minister of Finance is not going to set up a trading desk in his office and be managing the money himself. So the question is—

[Inaudible interjection]

Mr. E. David Burt: Oh, you are?

So the question is, Who is going to be managing these funds?

I wish that he would enlighten this House on who is going to be managing the funds. Is it going to be the same people who are managing it now? Has the Government outsourced or found a different fund, or different company that is in charge of managing some of our funds?

I know we have other companies manage our Pension Funds, et cetera. I think that it is important for this House to understand this because what we are in fact doing is giving the Minister of Finance approval to borrow more money so that he can invest it and use it later. And I think that it is very . . . we need to make sure that we understand what we are giving the Minister of Finance permission to do, Mr. Speaker. So in doing that it is key that we understand how this money

is going to be invested and who is going to be responsible for the investment because if the investment goes bad, Mr. Speaker, we need to know who is the person that the Bermudian people need to hold responsible.

Now another question I have is because the Minister spoke in his brief about the Public Debt Management Advisory Group. The question that I would have for the [Member] is, What does this group have to do with the management of these funds? Will any of the members that are on his informal group have any input into the investment choices which are made?

And just for the purpose of clarification, are these people on the informal committee . . . are they or the companies which they represent banned from benefitting from any investment of proceeds that comes from this? Or are the people who are advising the Minister on how to invest the money also able to gain money, or gain commissions, from working to invest that money?

I think that this is a very important question that also needs to be answered because we need to know who is going to be investing this money on behalf of the people of Bermuda.

Finally, Mr. Speaker, on this particular topic, there are two groups here—there is the Bermuda Public Funds Investment Committee, which is established in the Public Funds Act 1954, and there is also the informal committee, the Public Debt Management Advisory Group, that the Minister has set up. And the question I would ask is, What is the line of demarcation between these two committees?

The reason I say that is because the committees also share members. There is a member that happens to sit on both committees. And the member is (it is no secret) a prominent OBA member who sits on one of the economic committees for the One Bermuda Alliance. So the question is, What is the line of demarcation between the Bermuda Public Funds Investment Committee and the informal Public Debt Management Advisory Group? And does the Minister believe that there is any conflict of interest between his informal group, given that one of the members is on both of the committees and is also a prominent member of the One Bermuda Alliance?

So, Mr. Speaker, on that—

[Inaudible interjection]

Mr. E. David Burt: It would be Miguel DaPonte who sits on both of the committees—your advisory committee and also on the Bermuda Public Funds Investment Committee, which was appointed earlier this year by the Governor.

[Inaudible interjections]

Mr. E. David Burt: Mr. Speaker, I will—

The Speaker: Yes, you know, you are doing the best thing by looking this way—

Mr. E. David Burt: I am doing the best I can.

The Speaker: —and concentrating this way.

Mr. E. David Burt: I am doing the best I can. I won't say anything—

The Speaker: That is the best thing, yes.

Mr. E. David Burt: I mean, you know, the Minister of Finance . . . I was looking online and he gave a presentation with this individual. I am sure the Minister of Finance is the one who is appointing these individuals to these committees, so I would expect that he would have known. But I do not mind enlightening the Minister of Finance on the members of his committee.

Now, Mr. Speaker, let me move on because I think that, although it is not the time to discuss gaming in this House, the Minister of Tourism said that we will be discussing it sometime in the future (when he spoke earlier). But we need to be clear about this, Mr. Speaker. And what this is doing is basically giving the Minister of Finance the licence to gamble with public funds.

Some Hon. Members: Ooh.

[Inaudible interjections]

Mr. E. David Burt: And—

Hon. E. T. (Bob) Richards: Point of order, Mr. Speaker.

The Speaker: Yes, yes, Honourable Member.

POINT OF ORDER

[Misleading]

Hon. E. T. (Bob) Richards: The Honourable Member is misleading the House. That is an absurdity that is not even worth mentioning, other than to say that it is ridiculous!

The Speaker: All right. Thank you. Thank you, Minister. Thank you.

Carry on.

Mr. E. David Burt: Mr. Speaker, as I said before, this is giving the Minister of Finance the licence to play with public funds—that is what it is. And in—

An Hon. Member: He is imputing improper motives.

Mr. E. David Burt: I am not imputing any improper motives because I am certain that the former Minister

of Finance understands, as the Shadow Minister of Finance understands, and the Minister of Finance understands, that nobody has a crystal ball and can determine what is going to happen in the future.

[Inaudible interjection and laughter]

Mr. E. David Burt: Here it is, right here. It is okay. It is okay.

[Inaudible interjections]

Mr. E. David Burt: Well, we . . . it could be on this side of the House.

The Speaker: We will not have those kinds of exhibits in . . .

Mr. E. David Burt: That is no problem. We do not need an exhibit. We do not need a crystal ball because . . . because here is . . . here is—

[Inaudible interjection and laughter]

Mr. E. David Burt: Here is the thing, Mr. Speaker.

The Speaker: Yes.

Mr. E. David Burt: The fact is that in borrowing this money, in borrowing all of this money up front, the Minister of Finance is taking a bet. And there is a question—a valid question—as to whether or not this bet will pay off. Because in borrowing this money he is stating that it is his view that interest rates will go up.

Now, I will say that there is some debate over that. When it comes to US dollar interest rates, I believe that we have seen them move up. I think we saw bond yields go up again today. There is definitely a case to be made for that, Mr. Speaker.

But we cannot predict what the future will hold. There are people who said that interest rates would have gone up a long time ago as well. We have over in Europe the President of the European Central Bank looking at possibly lowering rates. We have this new Governor of the Bank of England who said that he is looking at lowering rates as well, and he will keep monetary policy loose for an extended period of time.

So nothing is a virtual certainty. As we understand and know in finance there is nothing that is a virtual certainty. But fact is, Mr. Speaker, that this is not a transaction without risk. And the Government can lose money in this transaction. And I think that it is very important that we all understand that.

It is our hope, of course, that the Government does not lose money. It is our hope that the Minister of Finance's bet pays off for the people of Bermuda. But we must be clear that this is a bet, because if interest rates do not rise higher than a certain point, the Gov-

ernment of Bermuda would be paying more interest than they would have been paying before over the 10 years of the borrowing. Those are the finance facts. And I would challenge the Minister of Finance to tell me that I am not correct.

So we need to understand, Mr. Speaker, that this is in some way a gamble. It is in some way a risk and there can be a cost to the people of Bermuda.

Now in saying that, Mr. Speaker, I look at the historical interest rates of our last few bond issues. I see that in July 2010 the Bermuda Government borrowed \$500 million at 5.6 per cent, which was a pretty good deal. At that point in time, US 10-year bonds were trading at 2.98 per cent, which made the spread 2.62 per cent. Now I am getting a little technical here, Mr. Speaker, but I am leading up to a point.

The last time we went to the market, which was just over a year ago (June 26, 2012), we borrowed \$475 million. And that \$475 million was borrowed at 4.13 per cent, which was a record low interest rate for the Government of Bermuda for a long term. But then, again, the US interest rates were at 1.66 per cent at that time (the US 10-year) and there was a spread between our issue and the US 10-year issue of about 2.47 per cent.

Now, Mr. Speaker, if we look at today where the US Treasury [issues] are trading right about now, they are trading at about 2.66 [per cent] today. So now that means that they are a full point higher than they were at the same point in time last year. So all things being equal the Government could be expected to look at an offering of around the rate of 5 per cent—that is what it would . . . and I think if the Minister of Finance was able to go to the market and get a rate under 5 per cent he would have done very well given the circumstances with the interest rates the way they are and the spreads, especially given our recent ratings actions.

Mr. Speaker, the thing is that the rates right now that he gets are at 5 per cent. If next year for some reason the rates are still at 5 per cent, we would have spent money that we did not need to spend and the Minister's bet would not have paid off. The Minister's bet only works if interest rates go up. And by my calculations, Mr. Speaker, his bet means that interest rates have to go up by 1.2 per cent over the next two years in order for this transaction to make money. So if they go up by more than 1.2 per cent the people of Bermuda are in the black. If it does not go up by more than 1.2 per cent, the people are in the red. So there is the challenge that we have on this issue. And we just want to make it very clear that this is a bet on future interest rates with borrowed money that is borrowed on behalf of the people of Bermuda.

I will ask the Minister to at least admit that there is a possibility that interest rates will not increase as much as he has predicted, because he has predicted that he will save between \$20 [million] and \$40 million on this issue.

Now, Mr. Speaker, by my calculations in order for the Minister to make those figures and say that he will save between \$20 [million] and \$40 million, that means that interest rates will have to go up by between 1.9 [per cent] and 2.5 per cent over the next two years. Interest rates right now, US Treasury rates, are at 2.6 per cent, so he is expecting that they will be—the 10-year rate—at 5 per cent over the next two years. That is what his calculations are because that is what he has told people. He has said that this will save the Government of Bermuda \$20 [million] to \$40 million.

So the question that I am asking is, will the Minister of Finance at least admit . . . or can he admit that there is a possibility that rates will not increase as much as he has predicted and that this transaction could end up costing the Government of Bermuda and the people of Bermuda money? That is the only thing that I will ask him, Mr. Speaker, because the fact is that there is risk inside this transaction.

There is no such thing as a risk-free transaction, and if there was such a thing as a risk-free transaction, then we would all be doing it. That is the very nature of the way that markets work, Mr. Speaker. And I think that we need to be very clear to the people of Bermuda what the transaction [is] that the Government of Bermuda is getting itself in[to].

In closing, Mr. Speaker, I would just like to say that this is a bet with the people's money. The Minister of Finance and the Cabinet have decided that they want to take this bet. It is a question as to whether or not the people of Bermuda will come up good. For our collective sake, I hope that the Minister's crystal ball has gotten an upgrade from the last time, but time will tell.

Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: All right. Thank you, Honourable Member Burt.

Is there any other Honourable Member who would care to speak?

The Chair will now recognise the Honourable Member from Hamilton West, constituency 6, MP Wayne Furbert.

You have the floor.

Hon. Wayne L. Furbert: Thank you, Mr. Speaker.

Mr. Speaker, I am surprised, and I know what the Minister is trying to do and, as my colleague who just said, that the gamble is there. We have to accept that there is a gamble. And I am wondering whether . . . and I had better read from what the Minister said in his Budget Statement in . . . I think it was March, and he states—if you do not mind me reading, Mr. Speaker.

The Speaker: No, no. Carry on.

Hon. Wayne L. Furbert: He said, “. . . it is high time for the Government of Bermuda to be real about debt. Overall deficit spending by the Government starting the year 2003, and this has annually accumulated in an ever rising profile of public debt right up to the present time. The rising in debt, which has been exponential, is unsustainable.” [[Official Hansard Report](#), 22 February 2013, page 129]

Then he went on to say, later on he said, “. . . currently, the authorised debt ceiling for the Government is \$1.45 billion.” (or roughly \$1.5 billion) “In view of the forecast operating deficit, not only for the year under consideration, but for those forecast in the medium term plan . . .” The Government mentioned that they also increased the debt ceiling to \$2.5 [billion].

He said, “Therefore, we will be laying legislation for the approval by Parliament” (which he did) “to raise the authorised debt ceiling to \$2.5 billion.”

“It is important to note that this only authorises the limit of Government borrowing; it does not prescribe the actual amount of borrowing. We do not expect the borrowing requirement to take us to that level.” [Ibid, page 130]

Well, within short order—within six months—within six months, the Government . . . first his Statement today reads out that they have planned to borrow between \$400 [million] and \$800 million. Well, my colleague asked him . . . talk about . . . Tell us the truth, what are you planning to borrow? Then he states we are borrowing \$800 million. We plan to borrow \$800 million. Why did he not just tell the House that we are borrowing \$800 million, and not play with numbers, \$400 [million] to \$800 million? That means that the debt will take us from \$1.5 [billion] (approximately) to \$2.3 [billion]—\$2.3 [billion]! But six months ago—no, sorry—March, April, May, June—three months ago he told us that we do not expect the borrowing requirement to take us to that level.

So in such a short time the Government is coming back to us and saying, you know, we are going to take it up to that level. We may not make \$2.5 [billion], but we are going to be pretty close to it. We are going to be \$2.3 [billion]. And so I find it extraordinary that the Government is coming here . . . and normally the Ministers of the time . . . and you have got former Minister in the House, the Honourable Member Grant Gibbons was a former Minister of Finance. Every Minister that I have known that comes to this House and says this is the deficit and we are planning to borrow some money for it . . . and show Parliament.

But at no time has this Honourable Member presented to this Honourable House why. And so, as my colleague said, why is he borrowing \$800 million? Why should we just trust him when he just told us three months ago that he does not expect to take us up to that level? Why are we borrowing? Why? Why? And here is a Government that ran on the promise that we are going to cut expenditure, we are going to

grow the economy, we are going to reduce debt, and we are going to balance the budget.

So somebody on December 17th was misled or hoodwinked because they promised the country that they had the answer to get us out of this debt. And now they come before this Honourable House asking this country, asking this Parliament, to approve something that we do not know why we are approving it.

[Inaudible interjection]

Hon. Wayne L. Furbert: This is future stuff, my honourable friend. This is future. This is future stuff. It is going to take time.

[Inaudible interjection]

Hon. Wayne L. Furbert: I understand that, but they . . . I am not going to . . . I am talking to you, Mr. Speaker.

They promised this country, Mr. Speaker, and they have got a SAGE Committee. They are not even waiting for the SAGE Committee to report.

[Inaudible interjection]

Hon. Wayne L. Furbert: Mr. Speaker, they said that. They made this promise that they are going to do these things and now they are asking this House. Why?

Mr. Speaker, you would recall, as every Member would recall, these nice little ads they did just before the election.

The Speaker: Who is “they”? Who is “they”?

Hon. Wayne L. Furbert: The OBA.

It says, “This Bermuda baby will be born owing over \$35,000.” It caught everybody’s attention. I did my quick calculation and said, *Well, let me see what it is.* Do you know what it would cost, Mr. Speaker, once the \$800 million is approved?

Now my grandchild who just was born—

[Inaudible interjections]

Hon. Wayne L. Furbert: The grandchild, my grandchild, will now owe \$52,000.

[Inaudible interjections and crosstalk]

Hon. Wayne L. Furbert: Mr. Speaker, \$52,000. It has gone from \$35,500 up to \$52,570—in a couple of months. In a couple of months, Mr. Speaker!

[Inaudible interjection]

Hon. Wayne L. Furbert: Mr. Speaker—

An Hon. Member: We are not spending the money in a couple of months.

Hon. Wayne L. Furbert: So this . . . and I remember a little child was pointing up, *Mommy, are we going to owe all that money?* I cannot even remember the words now? *Needs our love, not more debt.* Another ad. But now it has gone from \$1.5 [billion] up to \$2.3 [billion]! You have got to include that in your little diagram, Honourable Members.

An Hon. Member: It is net Wayne.

[Inaudible interjection]

Hon. Wayne L. Furbert: Mr. Speaker, they were not talking net when we were in here.

[Inaudible interjections and general uproar]

Hon. Wayne L. Furbert: They were not talking net when we were in the Government.

An Hon. Member: Yes, we were!

[Gavel]

Hon. Wayne L. Furbert: This is not . . . this is not net.

The Speaker: Members, let us . . . Members, let us have some order.

And, Honourable Member, speak to the Chair.

Hon. Wayne L. Furbert: This is not net here. This is the debt—\$1.5 million in 2015.

The Speaker: Yes.

Hon. Wayne L. Furbert: Mr. Speaker, *You have our word, vote for change.* And look at what they have got.

An Hon. Member: Mistrust!

[Inaudible interjection]

Hon. Wayne L. Furbert: As a matter of fact, I read on further. Up at the top it says . . . and the part of . . . this here was said, *day care families in need.* Well, I do not want to discuss last week. We are not going back there.

The Speaker: No, stay on this week. Stay on this week.

Hon. Wayne L. Furbert: *You have our word, vote for change.*

Mr. Speaker, if there is . . . no way . . . and I cannot . . . unless any Government Minister can stand

up and tell this Honourable House—because that is what we are waiting for—what is the \$800 million being borrowed for.

I understand that Minister is taking a risk because, look, let us go out and borrow. Let's go out and borrow based on future interest rates [that] may be going up. And there are as many opinions on financial analysts as there are opinions on lawyers. Get 10 lawyers in a room, 10 different answers. Get financial analysts in a room [and] you have 10 different opinions.

An Hon. Member: What about accountants?

Hon. Wayne L. Furbert: You have one. You will have one opinion. One opinion. You have got two here: the Honourable Member Terry Lister and myself. And I see the Honourable Member Patricia [Gordon]-Pamplin . . . Pat has left because she agrees with us. So that all accountants agree. Because, you know, we understand. We clearly understand—

[Inaudible interjection]

Hon. Wayne L. Furbert: We clearly understand that the Minister . . . and I can understand the Minister coming here next year after reducing some expenditures. Okay? After looking at growth opportunities—whether it is in hotels or in insurance or whatever—and saying these are our projections and that we need another \$200 million for next year. I can understand that. But to just give you a blank cheque for \$800 million and say, *Go and buy some chewing gums,* I do not understand that.

Let me just say that they say, the One Bermuda Allowance, that the debt under the Progressive Labour Party raised from, in 2007, \$255 million to \$1.5 [billion], which was roughly about one . . . roughly—

[Inaudible interjection]

Hon. Wayne L. Furbert: Well, yeah, yeah, I agree. Mr. Speaker, I agree, I agree.

But, Mr. Speaker, check this out. Because, Mr. Speaker, it raised \$1.25 million in seven years, which was roughly \$175 million per year on average. Between 2007 and 2013, it was roughly \$175 million per year on average.

[Inaudible interjection]

Hon. Wayne L. Furbert: They are asking us to raise \$800 million in one year—in three months!

An Hon. Member: Six months.

An Hon. Member: But it is your debt.

An Hon. Member: Stop talking out of turn.

[Laughter]

Hon. Wayne L. Furbert: Mr. Speaker, Mr. Speaker, they are saying that it is our debt.

[Laughter]

Hon. Wayne L. Furbert: Mr. Speaker, I do not . . . I really do not understand that. How can it be our debt if they are asking us to approve their debt? It is not our debt. Ours cut off as of April . . . March 31st.

[Inaudible interjection]

Hon. Wayne L. Furbert: That was ours. That was ours. Now they are adding \$800 million—that is \$53,000 for a newborn baby—my grandchild.

An Hon. Member: Shame on you!

[Inaudible interjections and crosstalk]

Hon. Wayne L. Furbert: But this Government, this Government, the One Bermuda Alliance Government, went up and down this country talking about jobs, jobs, jobs. And I will speak about that later on at the Motion to Adjourn. They also talked about reducing debt. People believed them. I was saying, *Hey, hey, I know Grant Gibbons. I know Grant.*

[Inaudible interjection]

Hon. Wayne L. Furbert: Yes, with Grant in charge, I knew it would be all right. I knew it would be okay under the management of Grant Gibbons.

There is no way that the Honourable Minister Grant Gibbons would have brought such a Bill to this House.

Dr. the Hon. E. Grant Gibbons: I am here supporting it.

Hon. Wayne L. Furbert: Yeah, you are going to . . . under probably a whip.

[Inaudible interjections]

Hon. Wayne L. Furbert: There is no way that the Honourable Minister . . . Can you imagine, Mr. Speaker (and they would understand this), that their Board of Directors . . . the Honourable Minister Michael Dunkley has his CFO come into his office and say, *We want \$80 million.* Do you think that the Honourable Minister would sign something—\$80 million—without asking his CFO what it is for? There is no way. Well, the CFO of this country, the Honourable Minister Bob Richards, CFO, has come into this—

The Speaker: The Honourable Minister of Finance, you mean?

Hon. Wayne L. Furbert: Honourable Minister. —comes to this Board of Directors—

An Hon. Member: He is confusing himself.

Hon. Wayne L. Furbert: —comes to this Board and is asking us to approve \$800 million?

An Hon. Member: And we should do nothing?

Hon. Wayne L. Furbert: Well, we should ask some questions of the Minister, Mr. Speaker. We should ask some questions.

An Hon. Member: So what is your question?

Hon. Wayne L. Furbert: At least . . . this . . . well, what is the \$800 million for? What is the \$800 million for?

[Crosstalk]

The Speaker: All right.

[Gavel]

The Speaker: Members, Members.

Honourable Member, you know, get on a line and bowl. Bowl a good line for me, all right? Bowl a good line for me, please.

[Laughter and general uproar]

Hon. Wayne L. Furbert: Mr. Speaker, you and I . . . you know, you and I are Somerset. So we—

The Speaker: Yes.

Hon. Wayne L. Furbert: —understand.

[Inaudible interjections]

Hon. Wayne L. Furbert: Yes, we are going to build this. We will win again this year, too, Mr. Speaker.

So, Mr. Speaker, why can't the Minister present at least a three-year budget? Lay it before Parliament and say this is why we need \$800 million, *Because our projection over the next three years is looking . . . with a \$300 [million] deficit this year—sorry, 2014—another \$200 million in 2015, in 2016, we are down to \$100 million. Because SAGE is going to kick in. We are going to have some more insurance companies . . .* But there is no presentation before this Honourable House.

Mr. Speaker, I am sure you have not seen a report to feel comfortable about just signing a cheque.

An Hon. Member: Where is the rationalisation?

Hon. Wayne L. Furbert: There have to be some real reasons, other than to say that we think that the interest rates are going to go up. And, as I said, every financial analyst is saying . . . but let me just read what this gentleman said. Let me just . . . Mr. Speaker, if you do not mind me reading this. This is Mr.—

The Speaker: What are you reading?

Hon. Wayne L. Furbert: This is from *Forbes*. All right? It was a report in [Forbes](#)—

The Speaker: From *Forbes*, yes.

Hon. Wayne L. Furbert: —by a gentleman named Mr. Statman, Professor of Finance at Santa Clara University and author of *What Investors Really Want*.

He said, “Interest rates won’t go up fast unless inflation goes up fast and inflation won’t go up fast with the economy as weak as it is.”

An Hon. Member: That’s not convincing.

Hon. Wayne L. Furbert: [The article continued] “That said, the unruly global credit markets represent the wild card in any interest-rate outlook. So don’t view any rate prediction as a sure thing.”

I understand that this is just one gentleman. That is my point. And I am not saying that it is not going up, because it is possible it could go up. But then at what rate does it do go up that it was going to have an impact on us?

[Inaudible interjection]

Hon. Wayne L. Furbert: What . . . what?

[Inaudible interjection]

Hon. Wayne L. Furbert: Mr. Speaker, let me give you an example. I will give you a math example.

If we borrow \$800 million—

An Hon. Member: Here comes another *why*.

Hon. Wayne L. Furbert: If we get \$800 million right now. And let’s assume that it is 10 per cent, which is easy, everybody can work with 10 per cent. That means it is \$80 million for one year in debt, in cost for interest. Do you have that number? It is simple—\$800 million times point one. Okay? That is \$80 million. Then the second year we do not spend the money, and another \$80 million, and then another \$80 million. That is three times \$80 million—\$240 million. Okay.

[Inaudible interjections]

Hon. Wayne L. Furbert: I said I am using it as a scenario. I am using a scenario.

But let us just say we do use \$400 million in the second year, Mr. Speaker. So we have got \$80 million in the first year. Okay? And I do not think . . . even if we do not use it we have still got to pay 10 per cent on it, whether we use it or not. I heard the Honourable Member, Michael Dunkley say, *We are not going to use it*. We still have to use it. It is still . . . we still have got to pay for it. We still have to pay for it.

Now, depending on how the investment is on the remaining amount that we do not spend in the Sinking Fund, is whether the return is there. And the honourable colleague of mine, the Honourable Member David Burt, asked, “Do you expect that the return is greater than the cost of borrowing?” That is not guaranteed. Right now the cost is roughly 5 per cent, and I think we are getting roughly 4 per cent in the Sinking Fund. That is a 1 per cent difference right there that is a cost to the country. So, assuming that we do not use any of the money, there is a cost of \$8 million for the next three years. There has to be a cost.

So how can a Minister come here and say we are going to save \$20 [million] to \$40 million and not have any information to give us? He must know approximately what he is going to borrow at and approximately what he is going to invest at. I am just saying that there is not enough information for this Honourable House—and that is why it is called “Honourable”—to make a decision that is going to affect the livelihood of our people.

And I do not believe Cabinet knows and I know definitely that the caucus does not know. But yet they will approve it because they are under a certain whip. They have got to approve it.

But there is . . . there is no . . . and I challenge any Minister, Mr. Speaker, to stand up and tell us where the money will be spent. Have they seen any report or any analysis to show how this money will be spent? Or what any money . . . or how the money will . . . what return we will be getting? Somebody, somebody has to ask for that information.

Now they will go on and try to blame the Progressive Labour Party from now until they lose next . . . whatever time it is, if it is tomorrow, next week, they will blame us until that time. I expect that. Five years they will be still talking that, you know, it is the Progressive Labour Party, knowing that for five years they have not grown the economy and yet they are taking us back in the hole for \$2.3 billion.

And, Mr. Speaker, if you think it is going to stop there, if you think it is going to stop at \$2.3 billion, Mr. Speaker . . . I doubt it. That Honourable Minister will be back to this House raising the debt ceiling and borrowing more money if their plan does not work.

An Hon. Member: If!

Hon. Wayne L. Furbert: And there is no . . . thus far, there is no proof yet that the plan is working, okay?

So, Mr. Speaker, I am just asking the Honourable Minister, or any Minister, any caucus members, including the Whip, to stand up and tell us why, why is the . . . what is the money being borrowed for?

[Inaudible interjection]

Hon. Wayne L. Furbert: What is the money being borrowed for? What is the return that we are expecting of the funds (you know, roughly), that we think we will get off the \$800 million? Because at the end of the day the people have to know.

Now let me just give this last scenario, Mr. Speaker. And here is an article I read by Jeff Gundlach. It says, “The maths against the higher rates”—

The Speaker: Who is Jeff Gundlach? Who is he?

Hon. Wayne L. Furbert: He is a financial analyst that also wrote in [Forbes](#). He said that . . . he suggests, “that if interest rates in the US normalise and increase to 100 basis points annually over the next five years, the interest expense on government debt would rise from [the US debt] \$360 billion last year to \$1.5 trillion.” (This is the United States).

Then he said, in Japan, that, “As I’ve stated on many occasions, if rates rise to just 2.8%, interest on Japanese government debt would be the equivalent of 100% of government revenue.”

Well, Mr. Speaker, if you think the G8 or G6 are going to allow such a disruption within that economy . . . I do not believe so. I do not believe that the G8 is going to allow such things to take place.

Now, will it raise a quarter per cent? It is possible. But [is] a quarter per cent worth borrowing all the money right now? Is it worth borrowing all the money right now if the interest rates raised 1 per cent over the next . . . I have not seen a calculation. I cannot tell you that, Mr. Speaker. But I would have thought that the Minister would have come to this Honourable House—at least to Cabinet—and showed them some scenarios based on interest rate changes.

Mr. Speaker, based on that, I am very concerned. I am very concerned on the direction that the Government is going based on the idea that we approved the debt ceiling to \$2.5 [billion] and telling this Honourable House that they had no plans at all to borrow up to that limit, but we are pretty well there.

So, Mr. Speaker, I am very much concerned . . . and they have always talked about transparency. They have always talked about accountability, and today there is no transparency on why those numbers are being borrowed.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Member.

The Chair will now recognise the Honourable Learned Member, the Minister of Tourism Development and Transport from Southampton West Central, constituency 31.

MP Minister Shawn Crockwell, you have the floor.

Hon. Shawn G. Crockwell: Yes, thank you, Mr. Speaker. I hear an interpolation from the Independent Member cautioning me to be careful because he knows this is not my area. And I certainly will state up front that I devolve these areas to the mathematical and accountant minds in the House.

But I would like to comment just very briefly from a reality and political perspective. And that is, I am not surprised, Mr. Speaker, that Members from the other side do not get what we are doing here today. I am not surprised they do not get it because we are in the mess, the financial mess, that we are in in this country because Members on the other side did not get it. That is why we are in a colossal financial mess in this country. And that mess existed on December 16th and it did not evaporate, Mr. Speaker, on December 17th.

And when we talk about the financial mess that we are in, it is like a runaway train, Mr. Speaker. You just cannot pull the brakes and say now we have new fiscal policies and we are going to redirect the velocity and the direction of this train. It is going to take a lot of hard work to just slow the train down because of the environment, all the practices that were put in place by the former Government that are still there. That is why, Mr. Speaker, the SAGE Commission was empanelled. That is why we have seen the negotiations going on right now. We are trying to grapple with a gargantuan problem in this country—a gargantuan problem that was created, in part, by the fiscal policies and in some cases fiscal mismanagement of the previous Government.

Now, Mr. Speaker, in my capacity as Tourism Minister and Transport Minister I travel the country widely. I speak to all sorts of Bermudians in this country. And it has been heartening, it has been heartening, Mr. Speaker, because I am talking about young, old, black, white, you name it—they all understand who got us where we are, and they all understand there is no quick fix.

The people understand there is no quick fix, and they say, *Keep working hard. Keep figuring it out. We know it is going to take time. Stick to it because we need you to get us out of this hole within the next five years.*

So to the Members on the other side—to the Honourable Member who just took his seat—the people are not buying it. They are not buying it. And, you know, the other side keeps thinking it. Well, they can

think it. I am there; I am talking to them. They are not buying it. Okay?

The reality of the matter, Mr. Speaker, is that when the One Bermuda Alliance became the Government we inherited a \$2 billion deficit—I mean, I am sorry, a \$2 billion national debt.

Mr. E. David Burt: Point of order, Mr. Speaker.

Point of order, Mr. Speaker. Point of order!

The Speaker: Yes, Honourable Member.

POINT OF ORDER

[Misleading]

Mr. E. David Burt: Mr. Speaker, the Honourable Learned Minister is misleading the House. As I have said many times on this floor before, the Minister needs to get his facts straight before he comes to this House. The debt was not \$2 billion, it was \$1.5.

Hon. Shawn G. Crockwell: Yes, \$1.5 [billion] national debt trending very rapidly. Trending very rapidly, Mr. Speaker.

The Speaker: Which way? Which way?

Hon. Shawn G. Crockwell: Toward \$2 billion. Okay? Okay?

Now . . . but I will take the Honourable Member because, again, this is his bailiwick. I have no problem—\$1.5 billion national debt. Okay? And that is outrageous! Outrageous, that we had a \$1.5 billion national debt. Okay?

Now, Mr. Speaker, there is no way we can deal with the national debt whilst we are still dealing with annual deficits. The only way we can . . . and, again, this is not my area, but I understand that the only way we can start to pay off your debt . . . average people in this country understand debt. We in the private sector have high debt and they know if they have these debts on their credit cards, if they have these debts on their mortgages and they are unable to earn more than their expenses, they cannot pay off the debt. The only way you can start to pay off the debt—elementary accounting—you have got to start making some profits. You have got to start making some profits. Okay?

Mr. Speaker, this Government inherited a \$300 million deficit—a \$300 million deficit! That is priority number one. We have got to figure out how we can balance the budget so we can end up having a surplus to start paying off the debt. Okay? And so that is why the Honourable Finance Minister is the Finance Minister. Because, number one, when he was the Shadow Finance Minister during the years of 2007 and 2008, it was . . . whilst I was in this House, and had the privilege of sitting next to the Honourable former Shadow Finance Minister, he forecast—

[Laughter]

Hon. Shawn G. Crockwell: We can laugh all we like. But the running joke in this House, which I think is a compliment to the Honourable Finance Minister, is that he had a crystal ball—because he was right!

An Hon. Member: Lucky, lucky.

Hon. Shawn G. Crockwell: He was right! And he told the Government of the day, *You are heading on the wrong path*. He told the Government of the day, *Trim your sails*. He told the Government of the day, *Your budgeting is off*. He advised them what to do. He told them where we were heading. They did not listen and we ended up just where he forecasted.

Mr. E. David Burt: Point of order, Mr. Speaker.

The Speaker: Yes, Honourable Member.

POINT OF ORDER

[Misleading]

Mr. E. David Burt: Point of order, Mr. Speaker. The Honourable Member is misleading the House.

The Honourable Member is speaking about the former Shadow Minister of Finance making statements to this House. Would the Honourable Member also make sure that he agrees that in the exact same point in time the Minister of Finance made those statements, the Minister of Finance, at the time, said that the economy was getting bad and global recession was oncoming?

The Speaker: All right. Carry on.

Hon. Shawn G. Crockwell: Mr. Speaker, the Honourable . . . it is widely accepted, it is widely accepted in this country that the Honourable Finance Minister, Bob Richards, in his capacity as the Shadow Finance Minister, predicted the financial difficulties that we ended up with in this country before it happened.

When things were going well in 2006 and 2007, it was the Honourable Shadow Finance Minister at the time who said, *We have an overheated economy. Hold back*. And the former Government did not listen! Okay? So we know. We know that Bob Richards had his finger on it—the Honourable Finance Minister (I want to make sure that we all know who we are talking about)—had his finger on it! Okay?

So when we come up here today and I hear Honourable Members spouting off all sorts of financial analysts—because there are many, there are many . . . my brother is a CFA financial analyst. So sometimes if I need to get schooled up on something, I will give him a call. But the reality is you can pick up the *Economist*, you can pick up all these magazines, you can

read a plethora of different opinions, because that is what they are, they are opinions based on their data, based on their forecast.

But there is one man who I respect his opinion because he has been right. He has been right. He has the credibility. He is the Finance Minister right now. He came up with this strategy to raise this money because we are going to need the money. We are not going to evaporate this enormous deficit in a year or in two years—that is just not reality. We are going to need to borrow. And the Honourable Minister came and said here is a strategy to borrow the money and save at the same time. To save—

[Inaudible interjection]

Hon. Shawn G. Crockwell: We need money to operate this country, Mr. Speaker.

What is interesting I think . . . I think the word that has confounded the Opposition is “save.” Save is the word that has tripped them up because that is what this whole initiative is about. Let’s have some providence. Let’s think ahead. How can we save the country money, not interest rates? And, again, outside of my area, but I understand that this is based on 10-year notes, 10-year projections that can save this country money. I support it because I recognise that the Honourable Finance Minister knows what he is doing. He has put forth the case that it is going to be helpful.

I formerly heard the Shadow Finance Spokesman agree with this when it first came out. Saw it on the news. He supported it 100 per cent. So I am a little unsure as to what is happening now.

But, Mr. Speaker, I am confident in my Finance Minister. This is a measure to save the country money—a foreign concept for the Opposition. But this is something that we need to do. I support him 100 per cent and we need to get on with the recovery in this country. It is not going to happen overnight. But it is going to happen under this Government.

Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: All right. Thank you, thank you, Honourable Member.

The Chair now recognises the Honourable Member from Pembroke South East, constituency 21, MP Rolfe Commissiong.

You have the floor.

Mr. Rolfe Commissiong: Mr. Speaker, I rise to try to offer some balance here and maybe to try to straighten out the distorted historical record which the Opposition continues—

Some Hon. Members: The Government.

[Inaudible interjections and general uproar]

An Hon. Member: Carry on. You are right.

[Laughter]

Mr. Rolfe Commissiong: I stand corrected—the soon to be Opposition continues to perpetuate amongst the Bermudian people.

The Speaker: All right, you got it.

Mr. Rolfe Commissiong: Mr. Speaker, we know that in 1998 the country was starved of major investment, not only in infrastructure, but in the Bermudian people. The Progressive Labour Party should make no apologies for using the resources of the country to invest in its people and its infrastructure.

You see, the problem with respect to the so-called deficit and debt, Mr. Speaker, revolves around the fall in revenues to service that debt. But the investments that were put in place that precipitated that debt are not ones that we should run away from. It is not one in which we should say the country should not have invested in.

An Hon. Member: Like Heritage Wharf?

An Hon. Member: Don’t start on Heritage Wharf.

Mr. Rolfe Commissiong: Mr. Speaker, I believe that the Government does a disservice to the country by continuing to insinuate that the former Government—the Progressive Labour Party Government—made investments that were not in the interests of this country and did not invest in its own Bermudian people, something that the coalition partner, the UBP, did not do prior to 1998.

So it was necessary, Mr. Speaker. There was a deficit, but it was a deficit in terms of investment in our people and infrastructure that we had to fill. Now we should make no apologies about that. Were we perfect? No. But we did the best we could have done under those circumstances. Bermuda had a booming economy.

The other thing, Mr. Speaker, we should note is that the Progressive Labour Party Government provided a lot of employment for Bermudians who for one reason or the other, could not find work within the private sector.

[Inaudible interjections]

Mr. Rolfe Commissiong: That accounts for some of the growth we saw in the civil service and Government over the prior decade.

Dr. the Hon. E. Grant Gibbons: Point of order, Mr. Speaker.

The Speaker: Yes.

Have a seat, Honourable Member.

POINT OF ORDER

[Misleading]

Dr. the Hon. E. Grant Gibbons: The Honourable Member is actually misleading the House. The employment of Bermudians under the former Government declined almost every year for 10 years from 2000 to 2010.

Mr. Rolfe Commissiong: Mr. Speaker, I clearly said within the Government sector. I clearly said that.

[Inaudible interjections and crosstalk]

Mr. Rolfe Commissiong: Mr. Speaker, before the decline in . . . before the recession, before the precipitous decline in Government revenues, most of the rating agencies.

The Speaker: Let's have some order members please.

Mr. Rolfe Commissiong: Were of the opinion that Bermuda was more than capable of addressing its debt. Again, the issue was the decline in revenues that were precipitated (to use that word again) by the global recession not by, I might add, the presence of term limits on our law books.

Of course, Mr. Speaker, you are aware that only recently the Minister for Immigration, who sits in another place, has conceded that the removal of term limits has not miraculously, as was indicated by the Government when they were in Opposition . . . who stated that with the elimination of term limits that manna would fall from heaven, that companies would flock back into Bermuda. Well, the current Minister of Immigration, the Senator in another place, came in an article this week and indicated that, *Well, I have to concede that the elimination of term limits has not resulted in the influx of companies into the country. But I can say (which he offered without any evidentiary proof) that it has stopped the outflow of companies from Bermuda.* Come on! What fantasy land are we living in to believe that?

You see, Mr. Speaker, this Government here had an opportunity to have a more honest and open discussion about where Bermuda stands right now in terms of Opposition, in terms of global competitiveness, and about how we can begin to revitalise this economy, but they pinned their hopes on things like talking about term limits and thus shut off and precluded us from having a more robust, open and healthy debate about the Bermudian economy. And it was a sham, Mr. Speaker, one which they should

apologise for—not only to us on this side of the floor, but, more importantly, to the Bermudian people.

Mr. Speaker, you see, I believe firmly that the Ministry of Finance, the Minister, Mr. Richards, and the OBA Government, has basically set forth to us by way of this request for the \$800 million loan facility that they themselves do not have any confidence that they are going to be able to revitalise this economy any time soon.

Mr. Speaker, I might add that in a presentation to I believe the Breakfast for the Chamber of Commerce only some days ago, maybe a week and half ago, the current Minister of Finance confirmed that, *No, they will not raise any taxes to deal with the deficit.* And, *No, they think it is politically untenable (and I paraphrase) to let go workers from the civil and Government service.* So what do you have left? What is there left, because they had promised the Bermudian people that once the election was over and they had secured the Government that they would be able to jump start the man within the economy; that companies would flow in here, and that we would once again be able to return to a level of prosperity that did not exist since 2006 or 2007. These are the promises that the OBA Government has made.

I believe that the request of the \$800 million facility, again, shows a demonstrative lack of confidence in their own abilities to jump-start this economy, Mr. Speaker.

Mr. Speaker, I would ask, as some of my colleagues have asked previously, What is the rationale for this request? Besides the fact that they are of the view that we can potentially save money by borrowing now for the next three years rather than on a year-by-year basis, based on their opinion that interest rates will rise. As my colleague, the Honourable Shadow Minister for Tourism, mentioned, give us a more fulsome rationale on why this is necessary. Certainly we know that through most . . . most opinions around the world are divided as to whether interest rates will indeed rise because, fundamentally, just like in Bermuda, Mr. Speaker, we know that the global economy—that throughout that global economy, rather—demand remains flat. Where is it that he predicts growth to come from? That is the same question we asked in Bermuda because they promised growth and they have not delivered!

[Inaudible interjection]

Mr. Rolfe Commissiong: Six months! You have fallen victim to your own rhetoric. You were supposed to be the great—

The Speaker: Honourable Member, speak to the Speaker. Speak to the Speaker.

Carry on.

Mr. Rolfe Commissiong: Mr. Speaker, they themselves—

The Speaker: The Honourable Government.

Mr. Rolfe Commissiong: The Honourable Government has, through its rhetoric, imparted to the Bermudian people that once the election was over we would see immediate, tangible evidence of demand beginning to be turning around in this economy and that companies would begin to flow back in here. We have not seen it.

[Inaudible interjections]

Mr. Rolfe Commissiong: We have not seen it.

We have seen desperate attempts to fly out with the Premier and his colleagues to try an almost desperate Keystone Cop version of this to drum up investment from overseas, as we saw in the Washington trip—what has now been more ominously entitled “Jetgate.” But other than that, where is the evidence?

[Inaudible interjection]

Mr. Rolfe Commissiong: Where is the beef, Mr. Speaker? The Bermudian people would like to know. They promised 2,000 jobs.

[Inaudible interjection]

Mr. Rolfe Commissiong: Certainly we expect at least 200 this year alone, or more.

[Inaudible interjection]

Mr. Rolfe Commissiong: But yet we still see lay-offs occurring. We still see Bermudians being put out of work.

Mr. Speaker, I do not want to sound like I am being unfair with the Government, but, like I said, they have been, or are beginning to be, hoisted on their own petard with respect to their own rhetoric on this issue of the economy. They were supposed to be the financial gurus and economic supermen who would save Bermuda. The jury is still out I can see. But from where we sit, it does not look like it is heading down the right road right now, Mr. Speaker.

Mr. Speaker, I hope that the Finance Minister and those on the other side will concede that there is only one path to getting us out of this mess, and that is through the growth of our economy and that demand be resurrected once again.

An Hon. Member: Yes.

Mr. Rolfe Commissiong: We stand ready to help and assist in any way we can with our colleagues on the other side to do that because we think it is in the best

interests of Bermuda. But I would ask them to be honest, not only with ourselves here, but with the Bermudian people, with respect to their pre-election rhetoric and the cold, hard realities they now face before them today. And let us see if they can dispense with the rhetoric which still seeks to mischaracterise and even demonise us on this side with our record by putting their shoulders to the wheel and delivering on their pre-election promises that they made to the Bermudian people not too long ago. Like I said, the record so far is very, very much inconsistent.

Thank you, Mr. Speaker.

The Speaker: Thank you very much, Honourable Member.

The Chair now recognises the Honourable Minister for Health and Seniors, the Minister Patricia Gordon-Pamplin.

You have the floor.

Hon. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker.

Mr. Speaker, I wish to speak very briefly to the Government Loans Amendment (No. 2) Act. And I had not intended to do so, but in light of the comments made by the Honourable Member who just took his seat, it is very difficult to sit and listen to a total mischaracterisation of one's position and to leave it undefended.

Mr. Speaker, the Honourable Member indicated that they will never apologise (as their Government) for legitimate debt that was incurred as a result of building an infrastructure to help our people. And you know what? He is 100 per cent correct. I support that statement wholeheartedly. But what the Honourable Member failed to say [is] that legitimate debt falls in the context of what is a realistic charge for whatever product is being provided. You will go back, Mr. Speaker, and you will have heard time and time again in this Honourable House that Berkeley Institute was constructed—initial cost \$68 million, actual cost \$123 million. Court building, confirmed cost \$75 million, final cost, \$96 million.

Mr. Speaker, we have the Centre at . . . I'm sorry, the wharf, Heritage Wharf, which was going to be \$36 million—\$35 million—came in at \$63 million. So when you start to look at those differentials they had . . . they had to be paid for.

[Inaudible interjection]

Hon. Patricia J. Gordon-Pamplin: And my colleagues are just reminding me of other projects.

These things had to be paid for. There was no money in the kitty to pay for them so they had to finance those based on Government debt. They had to find the money. They had to pay the contractors. But Mr. Speaker, when you get one for the price of two, that is not legitimate debt. When you pay twice as

much as you ought to, to have something constructed, and then you have to go and borrow the money to pay for it—

Mr. Rolfe Commissiong: Point of order, Mr. Speaker.

Hon. Patricia J. Gordon-Pamplin: —how can you call that legitimate debt?

The Speaker: Honourable Member, please.

Now what is your point of order, Honourable Member?

POINT OF ORDER

Mr. Rolfe Commissiong: Mr. Speaker, I appreciate the Honourable Member's comments. In certain fact, I did not say call it legitimate debt . . . I do not believe. I talked about the really legitimate investments in infrastructure and the Bermudian people.

Hon. Patricia J. Gordon-Pamplin: Okay. I will take that.

The Speaker: All right. Thank you.

Hon. Patricia J. Gordon-Pamplin: It is semantics, but legitimate investment . . . legitimate investment.

But, Mr. Speaker, that actually makes it a little bit worse, because he honestly believes that it is okay to pay twice as much for half the value. And that is the problem.

[Inaudible interjections]

Hon. Patricia J. Gordon-Pamplin: That is the problem. That is the interpretation of what the Honourable Member said. And when you have to look at being able to cut your suit according to your cloth and throwing caution to the wind and saying, *I do not . . . whatever it costs, let's do it.* We hear it on a daily basis, Mr. Speaker, give this to this body, double up the prescription benefits, do this, do that . . . Where is the money coming from? On the other side, it clearly did not matter. *We will borrow it.*

But let us go back to the reality of this, Mr. Speaker, because the former Finance Minister stood on the floor of this Honourable House and spoke to the idea (about four or five years ago) of going back to the concept of zero-based budgeting, which basically said each year you come back, you start at square one with zero and you justify every penny that you are going to ask to come out of the Consolidated Fund as your budget. That was one concept. And then, recognising the importance of knowing that long-term projects would roll over from financial year to financial year, the former Honourable Premier and Finance Minister spoke to the issue of ensuring that they had a three-year plan.

So when you do a three-year plan, Mr. Speaker, . . . Clearly, I understand the Honourable Member who just took his seat may not be an accountant and may not be accounting oriented, but I am. And I can say that when you have a three-year plan on the one side of expenditure, you have got to be able to have a three-year plan on the other side with how you are going to pay for it. And that is where one matches up with the other. So the three-year plan for expenditure that was going to form a part of their whole process that they were going to utilise for financing had to be paid for.

So what are we doing now? We are not saying that we are going to borrow this money and we are going to run out and spend it, as the Honourable Member Furbert indicated. We are not going to borrow money and run out and spend it. If you borrow . . . you know, Mr. Speaker, let me just put it this way, if I can do it very simplistically. If I want to build an additional room onto my house and I have belief that the interest rates are going to rise substantially, I am going to lock in my commitment at a lower rate. That is what I would do. I would go to the bank, I would arrange financing, and I would arrange financing at today's rate and lock in that rate because next month or next year the money is . . . it is going to cost me more to borrow the same amount of money to do the same project.

Hon. Wayne L. Furbert: Point of order, Mr. Speaker.

The Speaker: What is your point of order? What is the point of order?

POINT OF ORDER

Hon. Wayne L. Furbert: Well, the part that the Honourable Member is saying that they would lock in this interest rate based on building their house. But the bank would also want to know how you . . . why you are raising that money, too.

The Speaker: All right. Thanks. Thanks, Member.

Hon. Patricia J. Gordon-Pamplin: Yes, and I am just . . . you know, I was trying to break it down. But even that seems like it was a little bit too complicated for the Honourable Member. But I get it. I get it. I get it.

But let me just say that if you lock in money at a specific rate, that is the rate that you use. And, Mr. Speaker, I have personal experience, as you will have heard me say on the floor of this Honourable House, that having organised a home equity line of credit for a specific period of time that period of time ran out. But at the time of organising the facility, the bank did not say that it was going to run out on 19 November 2012. So come 19 November 2012, Mr. Speaker, the rate of 5.75 per cent that I was paying automatically went up to 16.25 per cent. No notice, no indication, nothing—they just charged my account on a monthly basis for

the amount of the interest of the outstanding balance that I had at the time. And I just happened to notice it.

So when I called the bank and said, *Wait, wait, wait, wait, wait! You are charging me 16.25 per cent on this money, that cannot be right.* [And they said,] *Oh, no, Ms. Pamplin, no way that that is right. We will go and have a look.* And when the answer came back it came back to say that the rate had changed because the period had expired and, therefore, because it was not repaid the rate went from 5.75 [per cent] to 16.25 per cent. Now, it took me two seconds to pay them their money back because I had it, but it just shows that if we do not do things prudently and judiciously we can end up being on the hook for an awful lot of money.

So if the former Government, the Opposition Members today, acknowledged that a three-year concept was a good concept for planning purposes, then, surely, they have to acknowledge that on the other side of the coin a three-year concept for figuring out how to pay for it, instead of waiting until you get to next year when you see interest rates changing . . . one can look at what the markets are doing at the moment, Mr. Speaker. And it really does not take rocket science, neither does it take a crystal ball, to understand the sensitivity in the movement of interest rates.

And I would just ask Honourable Members to realise that if we were borrowing \$800 million and going out and spending \$800 million that would not only be imprudent, it would be irresponsible. But that is not the intent. The intent is to match your expenditure with the money that is available to pay for those expenses. And the way to do it is at the cheapest possible rate, and that is what the Honourable Finance Minister is doing.

The other thing that the Honourable Member who took his seat indicated was that we had to acknowledge that there was a decline in revenue. Well, Mr. Speaker, truth be told, if the policies that existed were forcing people to leave this country hand over fist it is no small wonder that there was no money coming in in order to be able to bolster what is going into the coffers for payroll tax, what is going into the coffers for all sorts of benefits that foreign workers have brought to the economy. So when you shrink the economy—

Mr. Rolfe Commissiong: Point of order, Mr. Speaker. Point of order.

The Speaker: Yes.

POINT OF ORDER
[Misleading]

Mr. Rolfe Commissiong: Mr. Speaker, I believe the Member is misleading the House. She is implying that it was the former Government's policies which led to

the exodus, as she . . . I am interpreting . . . of foreign workers from this country.

The Speaker: All right, thanks.

Mr. Rolfe Commissiong: Rather than the global recession and its impact on Bermuda.

The Speaker: All right. Thank you, Honourable Member. Thank you, thank you.

Hon. Patricia J. Gordon-Pamplin: Mr. Speaker, Mr. Speaker—

The Speaker: Carry on.

Mr. Rolfe Commissiong: And outsourcing and things—

The Speaker: Please, please, Honourable Member.

Hon. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker. Thank you, Mr. Speaker.

Mr. Speaker, you know what I find very interesting is the extent to which people choose to stick their heads in the sand. But very nearly like the ostrich who sticks his head in the sand, he does not maybe sometimes realise that his posterior is being exposed. And this is exactly what is happening in this instance. We have got heads stuck in the sand with backsides stuck up in the air, Mr. Speaker.

I think it is unfortunate that we are not understanding, on that side of the aisle, the basic concept of economics and the basic concept of financing because, you know, as I said, this is something that a first-year accounting student grasps the principles of and can understand and come to grips with the import of what is being done.

Mr. Speaker, I have to say that if you raise Payroll Tax from 14 [per cent] to 16 per cent with the intention of saying, after the fact, *Oh, it was only going to be done for a year to help to raise some extra revenue*, but you did not say that up front, it is almost like, *Let's raise it and let's maybe even hope they did not notice that they are paying an extra 2 per cent.* And in a significant number of cases, Mr. Speaker, companies—especially exempt companies—pay the entire Payroll Tax for some of their employees. So they found themselves in a situation of not just having to pay additional money, but having to do so without consultation. And as we focused on that challenge, Mr. Speaker, we admonished the Government at the time, and we recommended to them that they please reconsider because this is going to be the death knell.

And you will recall, even in the Throne Speech if not the Budget Book (and I have to remember which), there was a specific story relating to the lady who owned the bookstore that was on the corner—True Reflections—and it said that, unfortunately,

after so many years she has had to finally pack it in and go out of business. And we said then that she would never have been in that position but for that additional 2 per cent.

So, it was not just impacting what the Government then deemed to be the fat cat, the cash cow, it was impacting the average everyday employer who was trying to make ends meet with respect—

Mr. E. David Burt: Point of order, Mr. Speaker.

Hon. Patricia J. Gordon-Pamplin: —to the money that they had coming into their coffers.

Mr. E. David Burt: Point of order, Mr. Speaker.

The Speaker: Yes, Honourable Member . . . yes?

POINT OF ORDER

Mr. E. David Burt: I am just asking for a simple call to order, Mr. Speaker. I am wondering how we got on Payroll Tax.

The Speaker: We have gotten on a lot of things, Honourable Member, from both sides of the House. You have got . . . I have been very lenient. We have gotten on a lot of things, so do not . . . do not go there. Do not go there.

Hon. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker.

The Speaker: Carry on.

Hon. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker.

I will narrow it right back down to the Government Loans Amendment Act, because, clearly, the Honourable Member—who is the Shadow Minister—fails to understand that you need money—

The Speaker: He did a great job; he stayed right on tack.

Hon. Patricia J. Gordon-Pamplin: Yes, yes. But I think, you know, if you do not have the money coming into the coffers, you do not have the money to expend.

Mr. E. David Burt: Point of order, Mr. Speaker.

The Speaker: Yes, yes.
Honourable Member, please, sit.

POINT OF ORDER

Mr. E. David Burt: I will ask that the Honourable Minister please retract her statement, because I take of-

fence to the Honourable Minister telling me that I do not understand economics.

Thank you, Mr. Speaker.

The Speaker: All right. I think . . . yes, that is not . . . I do not know that I heard that.

Hon. Patricia J. Gordon-Pamplin: No, I did not—

The Speaker: I hope I did not hear that.

Hon. Patricia J. Gordon-Pamplin: I did not say he did not understand economics.

The Speaker: Oh, okay. Because I know . . . I know he went to George Washington University—

Hon. Patricia J. Gordon-Pamplin: Yes, and—

The Speaker: And I know he understands. We learned economics at George Washington University.

Some Hon. Members: Ooh!

Hon. Patricia J. Gordon-Pamplin: You know, it is very true. And I learned mine over in the UK, and economics is economics, and I respect that the Honourable Member probably has an idea—

The Speaker: GW even has a higher, higher standard—

Hon. Patricia J. Gordon-Pamplin: I have . . . I—

The Speaker: —so let us not go there.
So carry right on.

Hon. Patricia J. Gordon-Pamplin: I will never doubt that because I do not have first-hand knowledge to refute, so I do not have a problem with that. But what I am suggesting is that we want to ensure that in order for money to be available to pay for capital expenditure the money has to come in in the first place.

And we are not increasing the net debt situation based on this particular legislation. What we are doing is ensuring that money is made available. And, no, we do not have a crystal ball in terms of what the specific rates of interest will be next year or the following year, but indicators show that the rates of interest, which are rising, will cost us more in the long run and it is financially prudent to lock in a rate that makes sense under today's market that would assist in ensuring that the people of Bermuda are not subjected to paying higher amounts of money in interest charges than they might otherwise would be if we did not lock in the money.

So that is the point that I would like to make. And I would certainly hope that if the Honourable Members agreed that three-year rolling financial situa-

tion, which is basically the Lloyd's model, but a three-year rolling underwriting year, three-year rolling financial year model was good in their planning of their finances, they certainly have to accept and appreciate on the other hand that to fund it in an equal and offsetting way has also got to be deemed to be appropriate.

Thank you, Mr. Speaker.

The Speaker: Thank you very much, Honourable Member.

Would any other Member care to speak?

Sit down and wait until I ask you to speak, Honourable Member. All right, you can come now.

The Honourable Member from—

[Crosstalk and laughter]

The Speaker: —the Honourable Member from Warwick . . . Warwick South East, constituency 24, the Honourable Member Lawrence Scott.

You have the floor.

Mr. W. Lawrence Scott: Thank you, Mr. Speaker.

And I would like to start off by echoing my opposite . . . I am not a . . . I am not an economist.

The Speaker: Economist?

Mr. W. Lawrence Scott: I am a pilot by trade. But what I have been doing is listening.

[Inaudible interjection]

Mr. W. Lawrence Scott: Oh, no, no. I am not going to go too far out there, but I have been listening, Mr. Speaker.

And the thing is that I have listened to the Honourable Minister of Finance, Bob Richards, and I understand the principle of trying to lock in interest rates. However, the math that I have been doing still shows that with increasing interest rates, based off of borrowing \$800 million, there is still a \$30 million loss to the people and the Government of Bermuda.

Now, I also heard the Honourable Member that just took her seat say that the PLP Government never showed an expenditure plan, but yet I have not heard of a three-year expenditure plan underneath the OBA Government. What I have heard, Mr. Speaker, is that under the OBA Government this country's economy and economic rating has been downgraded twice. And that is based off the future of their budget and the future outlook or vision that they showed for this country, or lack thereof.

Now for me—and I am just going to keep it simple, I am not going too far. For me, the thing is that there is no explanation as to why they need this money, because if you look at the Government Budget Book, it shows a \$361 million shortfall. But yet they want to borrow \$800 million to cover that up.

[Inaudible interjection]

Mr. W. Lawrence Scott: So now, for me the thing is that, okay, if you are borrowing \$800 million for a \$362 million shortfall, that means that you are expecting to have a shortfall of \$219 million for the following year and \$219 million for the year after that. Yet you have not shown how you are going to increase revenue to help offset this expenditure, or this shortfall.

So for me, Mr. Speaker, it sounds . . . and what I have noticed by sitting here is that the Government says, *Okay, this is what we are going to do—trust us*. But then when people do not trust them they do not have any . . . they do not have any vision. They do not . . . they just get . . . *Oh, 14 years, 14 years*. No, that is not good enough in this Honourable Chamber. Not looking . . . you should not live in the past, you should learn from it. All right?

And, for me, it sounds like this Government is trying to live in the past, but yet they have not shown how—

[Inaudible interjection]

Mr. W. Lawrence Scott: They have not shown how they have learned from being Opposition.

Right now . . . they have been Opposition for so long, and now they are sitting there like, *We don't know what to do, but we are going to try to song and dance and make things look good and sound good, so just trust us*. But under trusting them, I will repeat: This economy of ours has been reduced twice—in just six months, Mr. Speaker. I think that should be an international record of some sort. All right?

And, Mr. Speaker—

Hon. E. T. (Bob) Richards: Point of order. Point of order.

The Speaker: Yes, Honourable Member. Minister.

POINT OF ORDER

[Misleading]

Hon. E. T. (Bob) Richards: The Honourable Member is misleading the House. The country has not been downgraded twice. I kind of let it slide the first time, but being that he is repeating his error I have to pull him up short.

The Speaker: All right, thank you. Thank you, Minister.

Hon. E. T. (Bob) Richards: The second opinion of the second rating agency basically brought that rating agency in line with the others.

The Speaker: All right. Thank you.

Mr. W. Lawrence Scott: Oh, well, it . . . it sounds like two separate downgrades on one country. So maybe . . . maybe the Honourable Finance Minister might—

The Speaker: Anyway, the Finance Minister said it was not downgraded twice and we have to take the Finance Minister's word.

Mr. W. Lawrence Scott: Okay, we will take his word.

But, Mr. Speaker, the Honourable Member that took his seat before me said that there is no way to predict the interest rates in moving forward. But yet certain indicators would show that interest rates are going to go in the Government's favour.

As a pilot, Mr. Speaker, I do not deal with interest rates, I deal with weather. And certain weather patterns could predict or show that you might have rain tomorrow, and we will forecast rain—there is a 50 per cent chance of rain, 30 per cent chance of rain—but then it does not rain, Mr. Speaker. So that means that just because you have these predictions out there, just because you have certain conditions that might look like they might marry-up to create this situation, it never rained. Therefore, I have a feeling that we might . . . because I have been hearing about these predictions about interest rates being raised, and so on and so forth for years—for years, Mr. Speaker—yet interest rates still stay the same.

And, Mr. Speaker, in closing, because this is not my forte, all right? It is not my forte. But the fact of the matter is, Mr. Speaker, that it is funny how I could go online and I can look up Schwab, and I can show you these charts which say if you put in a certain amount of money with [them] and [they] can either do it aggressively, moderate, or conservative, and this will give you this sort of refund or revenue or cash back or yield. But yet we do not . . . we do not—

[Inaudible interjection]

Mr. W. Lawrence Scott: Thank you. ROI, return on investment.

But yet the fine Honourable Finance Minister cannot do that for us. Why can the country not . . . if I can go online . . . I mean, I can give you the website, Honourable Minister, if you need some help. But, you know, the thing is, why do we not get, as the Honourable Members of this House, a graph or something to show us that, *Okay, yes, we are going to take \$800 million. We are going to invest it in these different markets and this is going to be the type of interest rates that we are going to get, and this is your yield?* So therefore, you know what? Once again this would be the Government showing that we are transparent, we are letting you know where your money is going, how it is being spent.

Mr. Speaker, I truly believe in this one saying: *We don't have to agree with one another, we just have to understand where the other person is coming from.* And right now I do not think the Bermudian people or the Members on this side understand where the Government is coming from because they have not shown us—have not shown us—enough facts. All they have said is “trust us.” And we have seen so far where that trust has gotten us, and I am not going to reflect on past debates.

So once again, Mr. Speaker, I encourage the Government to do a little bit more research, provide some more facts—not just to us, but to the people of Bermuda, because that is whose money they are playing with. That is whose money they are gambling with. And with the fact that they are gambling with money, I have a feeling that gambling must be legalised soon, if it has not been already.

The Speaker: All right. Thank you, Honourable Member.

The Chair now will recognise the Honourable [and] Learned Member from constituency 34, Sandys South Central, the Shadow Attorney General and Shadow Minister for Legal Affairs, MP Kim Wilson.

You have the floor.

Mrs. Kim N. Wilson: Thank you very much, Mr. Speaker.

And the operative word in that introduction being “Learned”—

The Speaker: Yes, yes, yes. I said “Learned.”

Mrs. Kim N. Wilson: Yes, I said that. That was the operative word.

The Speaker: Yes, right.

Mrs. Kim N. Wilson: I, like some of the other colleagues here on both sides, did not study economics or accounting. And perhaps to my chagrin I—

An Hon. Member: Finances.

Mrs. Kim N. Wilson: Or finance.

After pre-calculus I realised that, as far as I was concerned, math was meant to be balancing chequebooks, balancing your household expenses, et cetera. I am not a guru on math or economics or finance. I do know a little bit about that area, however, as a result of those “shortcomings,” I decided to pursue the area of law.

Now, Mr. Speaker, with respect to the area of law, as the learned colleagues that sit around this Chambers would no doubt agree, when we deal with law we deal with evidence and we deal with facts. And not to throw anybody that is an accountant or a finan-

cial guru under the bus, because they deal with numbers and all these, I say, artificial—

The Speaker: Inexact sciences.

Mrs. Kim N. Wilson: Inexact sciences, precisely! Precisely! Thank you. Absolutely right! Absolutely right. Which is why I did not go into that route because I like to deal with facts—hardcore facts and evidence. So I went into law. Despite my challenges in pre-calculus, I went into the law area. So, Mr. Speaker, I am glad that we are on the same page.

So my challenge with respect to the Bill that is before us today is the lack of evidence and the lack of facts. What do I mean by that? Well, Mr. Speaker, when I look at it, I do not understand from the Bill that is before us now (we will refer to the recital in a moment) how it is that the Government's intention is to borrow the \$800,000 all at once—

[Inaudible interjection]

Mrs. Kim N. Wilson: Sorry, God forgive me! I forgot. Let me add a couple of zeros—\$800 million all at once, without any type of confirmation, evidence, or facts as to what that money will be used for. The Government wants to borrow this \$800 million without any confirmation or evidence as to the explanation as to what that money will be used for. Or, there is no evidence, Mr. Speaker, as to why borrow \$800 million when we have already heard that the existing deficit is some \$300 million.

Now, in order to make a responsible decision, Mr. Speaker, with respect to the Government Loans Amendment Act 2013, and to represent the constituents—the good constituents—of Sandys South Central, constituency 34, properly, I feel that I am really at a loss to be able to represent their interests without having the facts in front of me as to what I am voting on. And I am disappointed. I have a surgery, in fact, tomorrow morning, and I will have to explain to my constituents today's proceedings. And the fact that the lack of information before this Honourable House in terms of the Government Loans Amendment Act 2013 and what the \$800 million will be used for, bearing in mind the \$300 million deficit . . . I am at a loss to be able to explain properly to them when that question is asked. And so I am challenged, Mr. Speaker, to be able to make a responsible decision on this Bill on behalf of my constituents in the absence of the details.

Mr. Speaker, if I look quickly at the recital it says "WHEREAS"—(if I may, Mr. Speaker?) "it is expedient to amend the Government Loans Act 1978 so as to require the Government, where it has borrowed moneys for the purposes of multi-year budgeting financing requirements . . ." Okay? "Multi-year." Very subjective. Now, no disrespect to the drafters of this legislation, because I had an opportunity to personally work with them and I recognise that the drafters in

Bermuda are perhaps the most highly skilled and qualified and, regrettably, undervalued persons within the civil service—

An Hon. Member: Hear, hear!

Mrs. Kim N. Wilson: I recognise that they are taking instructions and they draft based on the instructions they receive. So I want to make that abundantly clear. I am not casting any aspersions on the drafters, all of whom I have had an opportunity, a pleasant opportunity, to work with.

But when I see "multi-year," . . . what is multi-year? Two years, three years, four years, five years? A little bit vague, but they would have drafted based on the instructions that they would have received.

". . . budgeting financial requirements to meet budgetary requirements for a number of consecutive years . . ." Again, what does that mean? Two years, three years, four years, five years . . . what does that mean? So we are being asked to approve a Bill that we do not know what the money is going for, we do not know what "multi-year" refers to, we do not know what "number of consecutive years" refers to. This is a recital in a piece of legislation. I certainly hope that this does not go viral because I think people might wonder, *Well, what is going on in Bermuda? What kind of airy-fairy legislation is it that uses these obnoxious . . . these ambiguous phrases like "number of years" and "multi-year budgeting."*

And then, let me continue, or "to deposit into the Sinking Fund any amount . . ." Okay, what does that mean? We do not know because we do not have any evidence. We do not have any facts. ". . . amount of the moneys borrowed that is not necessary . . ." Okay, again, nothing particularly concrete. So again, I operate on facts and evidence, Mr. Speaker, unlike some of the accountants and the financial—no disrespect to them—but, as you said, Mr. Speaker, with respect to their area of expertise.

". . . for a particular fiscal year;" Okay, again, we do not know what particular fiscal year that could be. It could be 2013/14, it could be 2014/15, 2027/28—who knows? There is a lot of ambiguity left in that.

Again, it ties back to my first point, Mr. Speaker. I am challenged to make a decision on a piece of legislation that is being presented to this Honourable House by the Honourable Government of the day when I do not have all the facts.

Mr. Speaker, in addition to that, why are we borrowing \$800 million when we recognise that the existing deficit is some \$300 million? So what is that excess \$500 million going to be used for? Again, it is an information gathering exercise and one would think that when the Bill is being presented by the Honourable Finance Minister and the Government that that information would be provided so that, in addition to the Opposition knowing what it is for and, perhaps, in

addition to the backbenches knowing why the increase, why we are borrowing \$800,000, the people of Bermuda, the taxpaying . . . \$800 million, excuse me! The taxpaying—

[Inaudible interjection]

Mrs. Kim N. Wilson: I know.

The taxpaying public have a right to know. It is their money. Why are we borrowing so much money? What is it going to be used for? I wish, I wish I could go into HSBC and say I need to borrow \$800,000.

An Hon. Member: Million!

Mrs. Kim N. Wilson: No, no, no, this is my example. I do not need to add all the other zeros.

[Laughter]

Mrs. Kim N. Wilson: I want to borrow \$800,000, and they not even ask me what it is for. Because, trust me, Mr. Speaker, I would be on a jet—not Jetgate—I would be on a jet, I would pay my mortgage, I would pay my expenses, I would go shopping—

[Inaudible interjection]

Mrs. Kim N. Wilson: And I will take you with me. For \$800,000 we could all go! And they would ask no questions.

But the challenge that we have, Mr. Speaker, is that we, as representatives of the people of Bermuda . . . the taxpaying person will be asking us to make a charge of \$800 million for something we do not know what it is for! I wish it was that easy! Because, trust me, I would march my little tail right down to the Bank of Bermuda right now and get that money. We do not know. We have absolutely no idea. And if we are basing it, Mr. Speaker, please, on the assumption that we must trust the Government, that is fine. But we need to understand what we are trusting them with. What are we trusting them with? What is that money going to be used for?

Mr. Speaker, we have had a little bit of talk (and I do not want to go down this road for too long) about the deficit and why that deficit existed. But let me just remind those persons that are listening and the Honourable Members here that, yes, there was a \$300 million deficit that was left. However, unlike what had happened in previous administrations, in 1998, when we came into office, we thought as a mandate it was necessary to spend money on housing. Every Bermudian should have an opportunity for affordable housing in this country. Why should they not be allowed to have a piece of this rock? So to that end we established Perimeter Lane and Loughlands and a number of other affordable housing institutions, so that we could go ahead and provide for Bermudians,

hard-working Bermudians, an opportunity to own a piece of the rock.

In addition to that we dealt with road infrastructure, airport infrastructure. And, Mr. Speaker, we helped to facilitate the saving of jobs through the Hotel Concessions as well as the concessions that were applied to the retail sector. Approximately 3,000 to 4,000, people work within our Bermuda retail sector and they are your and my aunties and uncles and relatives. And because of the Government—the PLP Government, when we were in power—concessions that were given to the retail sectors, they were able to continue working. And we saved jobs.

So for that, Mr. Speaker, raising . . . having a deficit of \$350 million—that was excusable because we helped to build an infrastructure for this community, provide housing that had not been provided for since the '80s, and to save jobs. And I do not believe anybody on the PLP will apologise for that.

Mr. Speaker, in addition to that we have interest rates. Now somebody, my honourable colleague, the Honourable Wayne Furbert from constituency . . .

The Speaker: Six.

Mrs. Kim N. Wilson: —six, made a little bit of a comment concerning lawyers and opinions and so forth. And, quite frankly, I have to disagree because if you get 10 lawyers to give an opinion, you are probably going to get about 15 opinions.

Am I right Learned Honourable Attorney General?

Hon. Mark J. Pettingill: I agree with that.

Mrs. Kim N. Wilson: Exactly. But likewise, no doubt, when we speak to economists and financial gurus and those people, and you ask them about projections and so forth concerning interest rates and bond yields, et cetera, et cetera, you are probably going to get several different opinions as well.

And from the information that I have read it seems to suggest that there is a likelihood that the interest rates in the United States will remain flat as they are up until 2014. So that is a year and a half from now. And that is quite frightening because we are taking a gamble based on this legislation. We are saying that if we are going to be depositing this in the Sinking Fund (which I understand yields 4-point-something per cent), but we are borrowing at 5-point-something per cent, we are already behind the eight ball. We are already behind the eight ball. So the taxpayers already, at this point, are losing money. If the interest rates drop or remain flat as is projected by several economists, we are even further back behind the eight ball. So again, the taxpayers are the ones that are losing.

My final point, Mr. Speaker, is this. I recognise that the Government has indicated that they may bring

a referendum on gaming, they may bring a Bill. I am not quite sure where it is. But when we speak about gaming, Mr. Speaker, I have my own personal feelings about gaming and I have my own personal feelings about whether Bermudians should participate. But I feel like, right now, I am gaming. I might as well be playing Crown and Anchor at Cup Match, or be playing . . . what is it called? What is that five-card game? Poker? Or whatever?

An Hon. Member: Poker.

Mrs. Kim N. Wilson: Whatever! Clearly, I do not know. Right? Or the slot machines.

I might as well be gaming right now because the Honourable Government is asking all of us sitting here in this House to take a gamble—to game. We do not even have the referendum yet and we are being asked to gamble on the people's money—65,000 people in Bermuda and the money that they pay through tax concessions, through parking tickets, through import tax, et cetera, et cetera—their money, their hard-earned money. We are being asked to gamble on it.

I do not even gamble for myself and now I have got to sit here and make a decision that is a gamble, because the Government is gambling with the people's money. They are saying, *You know what? We don't need no referendum. We are going to go ahead and gamble with \$800 million—\$800 million—and you guys have to just love it or lump it. We are not going to tell you what it is for (because we do not know). We are not going to tell why we are spending \$500 million more than the existing deficit (because we are not sure). We are not going to give you evidence. We are not going to give you facts.*

And for that, Mr. Speaker, I am deeply concerned because as the representative of Sandys South Central, constituency 34, I feel it is irresponsible for this Government to be bringing this Bill without giving us any evidence, without giving us any facts, without giving us any details, without giving us any information or an explanation as to why the amount of money is being . . . provided . . . why the Bill and what the money will be used for.

I think it is imprudent for this Government to, again, be bringing this Bill before this House, \$800 million going into a Sinking Fund, that we are already behind, perhaps by 1 per cent of the people's money without any explanation. If the PLP were the Government and we brought this Bill, we would be crucified.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Member.

The Chair now will recognise the Honourable Member from Devonshire North Central, constituency 13, the Shadow Minister of Economic and Social Development, MP Glenn Blakeney.

MP Blakeney, you have the floor.

Mr. Glenn A. Blakeney: Thank you, Mr. Speaker.

I was able to read the lips of the Finance Minister who directed that no one else on his side speak. And I suppose I understand. He just wants to get the legislation passed and they have the numbers.

Notwithstanding, I am sure my Leader is going to have a few words to say so I am not going to be too long.

I think I am certainly inclined to concur with all of my colleagues in the Opposition with regard to expressing the concern. The reasons for have been very well articulated in the course of this debate.

I think that the Government does have a reason for the borrowing of \$800 million over the next several years . . . three years. And that is because it is very clear they have no confidence in their ability to balance the budget. So this is a safety net in anticipation of being unable to balance the budget, that they will have the money at a low interest rate, being fixed, so that they can carry out whatever they might have planned to do—if, indeed, they do have a plan for the \$800 million—because that is what we have not heard.

Neither have they expressed any detailed explanation on their vision for the investment of the \$800 million over the next three years. What investment instruments? What money markets or other markets, equity or otherwise, will they put that \$800 million in to get a substantial or reasonable return? They have not given that information.

Nor have we had any explanation in substantiation of a vision on how they would grow the economy, or diversify the economy, or identify additional revenue streams so as to offset what they would incur otherwise as a debt based on the expenditures required, some of which are fixed because of what this country expects as a standard of living to be maintained, if not to be improved. And we all know it takes funds—significant funds. But I would dare say, comparatively speaking to other jurisdictions (even if looked at per capita), they would flip over in excitement if they only had a billion and a half as a challenge. Notwithstanding we have no natural resources save and except our marine environment and our human capital.

So this country does very well notwithstanding the challenges, which not all are due to circumstances that can be blamed on the former Government because notwithstanding the fluctuation and the downturn of the economy, we still moved forward with regard to our promises based on our platform as a Government to the people of this country in providing the infrastructure as well as the programmes that they were in dire need of having supported by the Government. And in some instances we did it really, really well. Other instances we could have done better. But that would be something that would hold true no mat-

ter what Government was sitting in the place of power to make such decisions.

And it is a moving target. You have to react to circumstances. Then you have to forecast based on current circumstances and looking out into the future in anticipation of what you anticipate may or may not be needed. And then you may have to reprioritise because the goal posts move. [Do] you know why, Mr. Speaker? Of course you do. Because it is life; and tomorrow was not guaranteed to anyone, which is why we do not know right now because we have a lack of the evidence that we have asked for in detail to substantiate why it is \$800 million. Why not \$600 million? Why not \$500 million? Why not \$400 million? Why \$800 million? Why not a billion, provided it was below the debt ceiling?

So these are the very relevant and salient concerns that we have. And that is all that we are doing—we are raising concerns—because those concerns are the concerns of the people whose monies will be used to service the debt, all of which contribute because they are gainfully employed. So they have an invariable right to know answers to legitimate questions and not be looked at as being uneducated or that it is over their heads, because at the end of the day we all feel it, all of us.

And it is only prudent and responsible of the Opposition to query and question when we do not have answers that satisfy our inquisition. That is it. So show us, do not tell us. That is what we got accused of by that very same Government when they talked about transparency and this and that and the other, and then they threw under that as their mantra the word “corruption.” Just the word . . . just the word, because they wanted to win by all means necessary, or any means necessary, because they felt they could do a better job and they were power hungry. So they promised, by way of their platform, to do all kinds of things.

I heard numbers such as 2,000 jobs . . . this, that and the other. Then we see that they wanted to prioritise giving jobs to students 18 years old and over who were children of guest workers, to be able to come in and compete with returning students who were Bermudian, indigenous people, for the same jobs—for the same jobs! Ridiculous! And the people saw it. And they climbed down from that, and other things that they were considering and advanced forward as proposals. They climbed down, not because [of] only being challenged by this Opposition, but by the people this Opposition represents, which are the people of this country. And even their own supporters were concerned with some of those proposed initiatives that they acquiesced and/or capitulated on.

So this is what we are doing as a responsible Opposition and as a Government in waiting because I am convinced that when we do go back to the polls, this Opposition will indeed win the confidence of the majority of people in this country, for the way they

have represented as Opposition, in bringing to the fore the kind of concerns, the challenging comments and commentary on things that we know are not necessarily in the best interests of the country when it affects the people.

We see every single day where there are redundancies. There were just some yesterday at a financial institution that the former Government guaranteed an amount of currency so they could get what they wanted with regard to going out to the public and getting their confidence from those that were hoarding the money because of uncertainty and a lack of comfort and confidence, but with the guarantee it was then over-subscribed. That was responsible Government.

So we find ourselves now at sixes and sevens because they do not want to just answer with detail valid questions that have come out of valid concerns. That is it. It is not very difficult. And these are the same questions that are being asked to us as Opposition elected Members of this Honourable Chamber. And we do not want to go to our constituents saying that the Government is not sure, or the Government refuses. We want to go and say this is what the plan is; we do not necessarily agree because we have an alternative and more viable way to do it, in our humble opinion, which is what separates us from the Government. And now they can weigh.

So I ask, again, if this Government would be responsible to the people of this country through articulating very clearly in layman’s terms (if you will) what they plan to do with that \$800 million, what they anticipate with regard to the ROI (the return on investment) of those dollars that they say will be put into the Sinking Fund so that it is there to service the debt that has been incurred. Then they stretch it and say it could be any amount, at any time.

So if it is going to be any amount up to \$800 million (and let’s just say it is \$100 million as a tranche into the Sinking Fund) what is going on with the other \$700 million? Where is it going to be invested? What is going to be done with it? I am not a financial guru; I was not even good at math. But I could balance, utilising common sense and some basic arithmetic science. But when you are all over the place and you are refusing to give the detail to substantiate or justify what you are doing, why, how, and for whom, you leave us with these huge questions. And that is all we want answered.

So, once again, in closing, Mr. Speaker, I am going to yield to my Leader, who I know is going to take the Government, once again, to task as have my colleagues. And I am very proud to say in a very responsible and a very clear way so that the people of this country who are tuned in and are listening, and indeed the media, get it with regard to the concerns that have been raised relative to this particular amendment to our legislation.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Member.

The Chair now will recognise the Honourable Leader of the Opposition, the Honourable Leader from Warwick South Central, constituency 26, the Honourable Marc Bean.

You have the floor.

Hon. Marc A. R. Bean: Good afternoon, Mr. Speaker, and good afternoon to our honourable colleagues.

The Speaker: Good afternoon.

Hon. Marc A. R. Bean: Mr. Speaker, I know that we have been going back and forth and you heard the accusations of prior previous performance by past Governments. Likewise, you heard statements from our side being critical, not only of this piece of legislation today, but also what seems to be a lack of direction in seeing the way forward. But I think it is incumbent on myself as the Leader of the Opposition to actually gear down and look at it in a more pragmatic manner in an attempt to bring some rationale, and hopefully some harmony going forward. Ultimately, no one desires to see this decision turn out to be a bad risk. No one wants to see this decision lead to Bermuda's continued downward spiral economically.

Mr. Speaker, [there is] no doubt that the decisions that have to be made today had to be made as a result of previous decisions. There is no doubt that the current Minister of Finance has had to take a tough decision based on the debt that has been previously accumulated by the Government (of which I am now the Leader of the party that was the Government). So we will put up our hand and say, *Well, beyond all the back and forth, it is what it is, so let's deal with what is in front of us.* And so we acknowledge that the decisions that the Minister has made, while we have some concerns, nevertheless the decisions had to be made. And so we are here today to critique the decision to see if it has any value and will it be beneficial to the country going forward.

Mr. Speaker, the One Bermuda Alliance is the Government now, based on no small part by their promising the electorate prior to December that they could fix the economic challenges that we are facing. And we on our side today are just being responsible Opposition in asking these questions and pointing out some of the risks that are inherent with this course of action by the Minister.

The Honourable Shadow Minister, David Burt, has framed this debate, or this action, in the form of a gamble or a bet. And that drew some reaction, naturally, from the Government. But, you know, the fact of the matter is that this actually is a guess. It is a risk that is being taken by the Minister, and he is betting that we will have a rise in interest rates in the near future or into the not too distant future. And so to

frame it as a bet or a gamble is correct. Even though it does not sound, probably does not—

An Hon. Member: Sound nice.

Hon. Marc A. R. Bean: Yes, it does not sound nice.

But I think it is what it is. It is a bet. It is a gamble. And so I do not think the Opposition—or sorry, the current Government should react to it being termed that way. When they look at it rationally they, too, will recognise that it is indeed a gamble. And this gamble, or bet, hinges on the raising on interest rates by at least 1.2 per cent in the near future.

The Honourable Minister of Finance says that, *You know, this is a sure bet because looking at the historic lows over the last few months and years interest rates cannot go any lower, so they can only go one way—higher.* And I understand the basis of his assumption. If something is at the bottom, there is no other direction it could take except up, Mr. Speaker, unless it remains flat and stagnant at zero. And that is the risk. That is the risk attached to this bet by the Minister of Finance, whether we like it or not, or accept it not, based on those assumptions that interest rates will go up, hopefully, by at least 1.2 per cent.

Mr. Speaker, as the Shadow Minister of Finance pointed out, the Governor of the European Central Bank [ECB] and the newly installed Governor of the Bank of England have indicated that those two institutions will continue with the monetary policy that they have been applying for the last few years. And that basically is increasing the money supply. In the States they frame it as “quantitative easing,” but basically it is through the purchasing of bonds and other instruments which floods the economy with cheap cash. And that is the policy that the ECB and the Bank of England have said they will continue. And it is that policy right there that has been the basis of these low interest rates. This has been . . . this is—

[Inaudible interjection]

Hon. Marc A. R. Bean: The Honourable Minister of Finance is shouting out (well, he is not shouting out, he said), *That is not dollars.* And it is absolutely correct, it is not dollars. We are talking about the euro and the quid (or the pound), Mr. Speaker.

But the fact of the matter is that decisions by central banks are never made in isolation today. They are made in coordination. The Bank of Japan coordinates with the European Central Bank and the Federal Reserve in the United States and other central banks. Because you have the central banks of all central banks—the Bank of International Settlements—you know, that oversees all the central banks. So it is a cartel, if you want to call it that, but on a global scale.

Now, the Minister of Finance's optimism, I think, because he did shout out, *This is not dollars you*

are speaking of. And I agree. So the optimism must be coming from Chairman Ben Bernanke's recent statements where he indicated a shift in Federal Reserve policy where they would look to gear down on the quantitative easing three [QE3] and quantitative easing four [QE4] strategies that they have been applying over the last few months, which, again, is the increasing of the money supply which keeps interest rates at an artificially low level.

So the Chairman of the Federal Reserve has indicated over the last one to two weeks that there will be a shift and they will be tightening up on the Federal Reserve's usage of these monetary tools. And so naturally it can be expected, in the United States especially, for a rising of interest rates. And so I think I understand the basis, or the premise, of the Minister of Finance's bet and why he feels confident that it will work out to the benefit of our country.

But you know something, Mr. Speaker? There is a downside to this potential shift by Chairman Ben Bernanke. And it comes with greater macroeconomic risk than just a rise of interest rates or winning or losing this bet. Because, you know, over the last few months you have seen stock prices go through the roof. The Dow Jones Industrial Average has shown record highs and you have seen asset prices really move upward, except for commodities, like gold and silver, which have gone the other direction.

Mr. Speaker, these stock prices, these asset prices, have been influenced by the current Federal Reserve policy of quantitative easing. So now when the markets hear the Chairman say, *Listen, we are going to tighten up or we are going to reduce the amount of stimulus to the economy*, that naturally, from what I see, is going to create a negative effect on the markets going forward. And that, Mr. Speaker, can have a greater impact on our economy going forward than just whether or not interest rates have risen. We have beat the spread, and we are able to get a lower rate on paying back our debt.

[Inaudible interjection]

Hon. Marc A. R. Bean: Yes, because it can come from a lack of demand. That could be one, and it can come from as a result of a lack of capital investment.

But I know that one of the Members of the One Bermuda Alliance (I do not know if it was the Minister, but someone) got up and stated or quoted recent job figures in the United States (190,000) and using these as an indication of a recovery or rebound of the US economy. Well, I have been hearing that for the last two, three years, these stats—official stats, coming out of official institutions—trying to justify or to improve consumer confidence in the economy. But yet all the fundamentals, Mr. Speaker, from a true economic principle perspective, speak otherwise.

One can say that this increase in job creation or job numbers is a direct result of the strategy of

quantitative easing, where you have an excess of cash into the market and so that cash chases and it creates short term, but not sustainable, employment. Now we are looking at a real analysis of the situation.

And so, yes, there is inherent risk, Mr. Speaker, in this approach, but I think it is a risk that I cannot blame the Minister of Finance for taking.

Mr. Speaker, in the end only time will tell. And truly as the Minister of Finance or the Shadow said when we first heard this announcement, we will wait and see. And we are not waiting to see to say, *Well we told you so, or we had the crystal ball, or you got it wrong*. Because, again, we are speaking from a national interest perspective.

Now, Mr. Speaker, as I move on, the Honourable and Learned Member, the Minister of Tourism, got up and he mentioned deficits. And he tried to give us the basic "Economics 101" reasoning of deficits. And he said that there is a need to fix the deficits before we can reduce the debt. And everyone understands that, that is actually "Economics 100," it is pre-college, Mr. Speaker. And then he got up in his usual energetic way and said that this is why the Honourable Minister of Finance today, Bob Richards, had a crystal ball. And when he said that everyone on the Government side got excited, they jumped up—*Yes! Oh, yes! Crystal ball*—because they got excited when they heard the repeat of their narrative, which was pre-election. We understand that.

And you know, Mr. Speaker, that type of pronouncements by the Shadow—or sorry, the Minister of Tourism, the Learned Member—is typical theatre by that Learned Member. But this Honourable House, Mr. Speaker, is neither Hollywood nor Broadway. It is neither Hollywood nor is it Broadway. So I understand where he is coming from trying to liven up the proceedings and trying to almost distract us from an analysis of this decision. And so he spoke about deficits.

Well, let us speak about deficits real quick. Because if we do not address the deficit, then we are going to see ourselves coming back year after year or in three years' time seeking to borrow more, and that is . . . none of us wants that. And so in talking about the deficits, I had a question after listening to the Honourable [and] Learned Member, and that is: How will we reduce the deficit? So Mr. Speaker, may I refer to [the] [Royal Gazette](#) of June 28th of this year where you have the Honourable Minister of Finance giving a speech to the Institute of Chartered Accountants, AGM [Annual General Meeting].

It says: "Mr. Richards also addressed the Government deficit in his presentation, and said it can be reduced either by raising revenue with taxes, or by cutting expenditure by reducing the Civil Service. 'Neither is attractive,' and explained that reducing the size of the Civil Service is difficult because those workers cannot go elsewhere to find alternate employment, as

they would be able to do so if they were living in the UK or US.”

Mr. Speaker, that kind of explains why we are here debating \$800 million. As has already been indicated, it reveals that the One Bermuda Alliance Government lacks inherent self-confidence in their ability to turn this situation around. Even, Mr. Speaker, this admittance that there are only two approaches to dealing with the deficit—either raising taxes or raising revenue with taxes, or cutting expenditure by reducing the Civil Service.

Mr. Speaker, Mr. Speaker—

[Inaudible interjection]

Hon. Marc A. R. Bean: Well, he does speak about growth, Mr. Speaker. And the Honourable Learned Minister of Tourism speaks of there is a potential for also growth.

But then the Minister in the same speech says, “There is no country in the history of man that has experienced growth by an increase in tax rates. It comes back to direct investment.”

And that direct investment that he is speaking of is foreign direct investment because he goes on to speak of foreign direct investment as being the panacea of fixing all our economic woes.

Mr. Speaker, on our side we are concerned with this lack of self-confidence by the Government. If the only two options available are to raise taxes or cut expenditure, then what happened to generally focusing on increasing revenues? We still, to this day, have not heard any concrete ideas on how to increase the revenues for our Government—not one. As a result of that lack of ideas from the One Bermuda Alliance, they identify the only options as raising taxes or cutting expenditure. In the absence of those two, we have to borrow.

So we would like, in an offering of an olive branch—again, from a national interest perspective—we would like to bring attention to the need to focus on increasing the revenues also. There has to be a three-pronged approach. It cannot just be a one- or two-pronged approach because the borrowing will continue. We have to reduce the deficit and that means looking to catch more fish.

Mr. Speaker, we have to understand this—and this is everyone in this House and elsewhere because most of us are not economists, but we do have a grasp of economics to some degree—government cannot manage economists. Let me repeat that. No matter what we may think, governments cannot manage economists. In fact, it is a political myth that we—politicians on both sides of the House, not just in Bermuda, but elsewhere—played that myth on the electorate. We placed a falsehood in their minds that somehow we 36, or we 13, or we 5, or we 3 have the wherewithal to determine and design and plan an economy. History has shown that that is a falsehood.

To the Minister’s credit, in that same speech he speaks of the need . . . he speaks of the need to . . . of the Government’s approach to removing impediments to investment. And I certainly agree. Remove the red tape; put out the red carpet. But we have to understand, all right? Because the Government has also said, with this myth of managing the economy, that they will create 2,000 jobs.

Mr. Speaker, in parliamentary language, that is misleading the public. If I was outside of the Chamber I would say, *Hey, that guy is lying. He is telling you a lie. He cannot create 2,000 jobs; he is the Government.* And so the Government will probably respond and say, *Well, we are just facilitating the creation of 2,000 jobs.* But that is not what the people think. That is not what they have been led to believe, Mr. Speaker. When people ask me on the street where the 2,000 jobs are that the Government promised me, they are looking directly for the Government to create a job for them. Again, through misleading, through using the political myth to get elected that we can manage the economy to create jobs.

Well, I am not even going to ask in the future where the 2,000 jobs are because if you cannot create something you cannot offer it to anyone. So let us get rid of . . . let us dispel that myth once and for all.

[Inaudible interjection]

Hon. Marc A. R. Bean: And if the Governments do create the environment, the best thing any Government could do, when it comes to economics, is get out of the way. But you know, the Honourable Minister actually says that in his speech to the Institute of Chartered Accountants. And I think it is worthy, as I go towards my closing, to speak to his strategy of removing red tape because instead of just focusing on deficits and debt we need to really start looking at revenue generation.

An Hon. Member: And growth.

Hon. Marc A. R. Bean: And growth.

He said, “In Bermuda we have been so good at building up barriers that no one can climb them—we have to lower these barriers.” Agreed.

“A lot of it is red tape—we have rules coming out of our ears.” Agreed.

“Investors—we are telling them, ‘you can’t do this, you can’t do that.’”

And, “We are working hard to get rid of barriers to entry for investing in Bermuda.” And I agree with that statement 100 per cent.

Nothing that the Minister has said is incorrect. He goes on to say “The key, and the way to get there, is to make ourselves attractive to investors” to invest in Bermuda.

He said [that] people who want to build a new hotel, people who want to provide alternative energy

resources and set up office spaces . . . “That investment can only come from foreign sources. ‘We cannot rely on the local banks to lend us any more money. They are not going to do that. We need new capital from overseas,’ he says.”

“This country is 100 per cent dependent on foreign investment . . . We have always lived on investment from abroad. That has dried up and we have to turn on the tap.”

Okay, Mr. Speaker, in closing, I agree with the Minister 100 per cent. But I do not think he has gone far enough if we are looking to stimulate this economy from the ground up. It is almost a narrow vision, while true, that we are wholly and solely dependent on foreign direct investment into this economy. Because there has been a paradigm shift in global economics, Mr. Speaker, it was not just the PLP’s fault. We are affected by the global environment. And so we are going to have to do things a little differently.

And so may I suggest to the Honourable Minister that in addition to removing those barriers—getting Government out of the way, freeing up—we also need to apply the same principles we do to our international business segment, we need to apply those same principles to our domestic economy. See, that is the contradiction of this country. We allow free market rules to be applied to international business, but domestically for our own local investors we have a very mixed economic model. We are very restrictive. As the Minister said, *You can’t do this, you can’t do that*. Whether it is you cannot sell jerk chicken up Dockyard on the stretch, or sell a cold beer on the beach, to investing in a hotel development as a local.

[Inaudible interjection]

Hon. Marc A. R. Bean: Outsourcing venture capital, true.

It is important because we cannot keep cultivating this image to Bermudians that we are a consumer society. I do not think economic growth comes through demand, through consumer spending. That is an effect. But the cause actually starts with savings and capital accumulation, which leads to investment, which leads to job creation, and which spurs demand because you are creating a service or good that someone is going to want even if they did not want it before it was created. The demand is the effect. The cause is savings.

And so we need to . . . in addition to opening up and freeing up our international business community to invite foreign direct investment, we are asking and we are willing to work with the Government to finally—because we did not do it when we were Government either—we need to open up and free up our domestic economy.

We cannot speak of entrepreneurship on one hand and on the other hand say, *Well, you have no access to capital and you cannot do this and do that*.

Maybe the banks are not lending. But you mean to tell me that lending activity by the banks is the only way to access capital? No, it is not. It cannot be. There are instruments that can be established in which those . . . that capital can be allocated through either lending or investing—equity investing. And that could happen outside of banks.

We in this country need to start getting creative. And that is why my presentation to this Bill has not been based on negativity. And that is why the Minister will also agree, and the Premier will agree, that we have been working closely and we have been in discussions with the current Government to discuss ideas that we had that, unfinished business that will benefit revenue generation in this country. And we are going to work with them hand in hand, okay—bipartisan, non-partial—and they can take all the credit for it politically once it is implemented. We could care less. But if we do not take that approach for the benefit of this country to work with them, to fill that gap of the apparent lack of ideas, then in the end we are all going to suffer, Mr. Speaker. And that would be irresponsible on our part.

So, yes, it is a gamble, it is a bet by the Minister of Finance in seeking to bring this \$800 million, and it all depends on the rising of interest rates. But even beyond that, even if it is a sure bet, that still is not going to answer the fundamental questions regarding the economic structure of our country, which is shifting. So we should not look at it that way. And so we should look at it in a much broader perspective. And for our part we will do all that we can to work with the Minister and the Premier and his Cabinet to share those ideas that can potentially bring revenue generation. And for our part we will support any revenue generation ideas that emanate from the Government. There will be no back and forth politricks when it comes to our national economic interests because in the end, in the end, we are all in the boat together.

And let me just throw out a little spinner. Neither, Mr. Speaker, in closing—

[Inaudible interjection]

Hon. Marc A. R. Bean: It is not taking turns, so I am going to do a little flip and a topspinner.

Even, Mr. Speaker, . . . yes it is [in] our strategic interest and so we pledge our support to the Government to create more revenue and we want this bet to be a sure bet. All right?

But, Mr. Speaker, neither do . . . when we resume Government in a few years times, do we want to inherit a country whose economy is in a continued downward spiral? Now that is not the only reason why we are going to work with you. All right? But that is one of the reasons, the self-interest. We want to ensure that when we become Government again we will learn from our mistakes and we will build on whatever

the current Government accomplishes and we are going to work with them hand in hand, Mr. Speaker.

The Speaker: Thank you, thank you, Honourable—

[Desk thumping]

The Speaker: Thank you very much, Honourable Leader. That is the kind of debating that I [would] like to have in the House on a regular basis where we look at the whole picture.

Honourable Minister, you have the floor.

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

I am very, very pleased the Honourable Leader of the Opposition gave that speech, because in some ways it has prevented me from hurling fire bolts from this side to some of the other things that I heard coming from that side this afternoon. It was a very good speech, very helpful.

An Hon. Member: Ameliorating.

Hon. E. T. (Bob) Richards: Yes.

And I accept it in the spirit in which it has been given.

I kind of do not know where to start because I have got notes scribbled all over the place here. But there have been a lot of things said, so let me say this, Mr. Speaker, that I think some Honourable Members think we are here this afternoon to authorise the borrowing of \$800 million. That is not so. That is not so. We authorised the Government to borrow when the debt ceiling was raised. All right? This discussion is about the timing of borrowing; it is not about the amount.

The Government has already been authorised to borrow up to \$2.5 billion at any time, whether it is in \$100 bill amounts or \$800 million bill amounts. It has already been authorised. So those folks over there who think that they are authorising \$800 million are mistaken. It ain't so! It is just not so. This—

[Inaudible interjections]

Hon. E. T. (Bob) Richards: Well, if you make uninformed comments, then you get the kind of response I am giving you right now.

Patronising?

You can call it what you like. But if you make uninformed comments, then you get a response from the Minister, okay? But that is why we are here. We are here—

Mr. E. David Burt: Point of order, Mr. Speaker.

The Speaker: All right. Yes, yes.

POINT OF ORDER

[Misleading]

Mr. E. David Burt: The Honourable Member is misleading the House. Although the Minister has the authority to borrow up to the limit, the Minister does not have the authority to borrow up to the limit and then put those monies in a different fund. He has to put them in the Consolidated Fund, and that is what we are discussing today. So I think the Minister should be clear in what he is talking about, Mr. Speaker.

The Speaker: Honourable Minister?

Hon. E. T. (Bob) Richards: I do not disagree with him there. I just said that some people here were talking like we are here to authorise \$800 million; we are not. We are here to authorise a medium-term plan having to do with debt and deficits. That is what we are here to authorise and to debate.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: I heard a refrain, even though I believe the Honourable Shadow Minister got on the media and said that he agreed with the \$800 million strategy when I first announced it. But, you know, that is his cross to bear, not mine. The contradiction of that is his cross to bear, not mine.

Mr. E. David Burt: Point of order, Mr. Speaker.

The Speaker: Yes, you did not say that?

Mr. E. David Burt: No, I did not.

The Speaker: Honourable Member?

POINT OF ORDER

[Clarification]

Mr. E. David Burt: Mr. Speaker, my remarks were we will wait and see.

The Speaker: All right. Thank you, thank you. Carry on, Minister.

Hon. E. T. (Bob) Richards: The refrain was, What is this for? And I do not know if people were not listening, but I have . . . I too have had a refrain to explain what this is for. This money is to cover operating deficits of the Government for this year, next year and onward years.

I have also stated . . . my colleagues have stated many times in this Honourable House and all over Bermuda, every time I get a chance I say the same thing, that the deficit situation of the Bermuda Government will not go away overnight. We have a deficit this year. We are bound to have a deficit next

year. The year after that, too. The only way we are not going to have those deficits in two or three years is if we fire half the Civil Service, and we are not going to do that.

An Hon. Member: Or grow the economy.

Hon. E. T. (Bob) Richards: We are not going to do that.

Or grow the economy (I heard chirping from the other side). Yes, we are going to grow the economy, but that too does not happen overnight.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: Well, I do not know, it seemed like you do not know—

The Speaker: Honourable Member, speak . . . Honourable Minister . . . Minister, have your conversation with the Speaker.

Hon. E. T. (Bob) Richards: I am sorry, Mr. Speaker.

But it does not seem . . . you know, these things are self-evident, but conveniently from the other side for . . . as one of the Honourable Members, I think, the Opposition Leader said, *No, but for political theatre*—they seem to forget this thing. All right? Because I know I have said it, other of my colleagues have said it, but they seem to forget it. And all of a sudden they are, *What is this for?* Well, we have said repeatedly what it is for. So either you listen . . . if you do not listen, do not keep asking the questions because everybody knows what it is for—it is for operational deficits that are structural in this Government that we are trying very hard to reduce. That is what they are for and that is pretty clear. So I hope I do not hear that question again because we have said so many, many times.

Pardon me, Mr. Speaker, for getting exasperated when I hear these things.—

The Speaker: Honourable Member you are doing all right. Just stay focused, Honourable Member, on the questions that have been asked and you know you can handle them, so . . .

Hon. E. T. (Bob) Richards: Right. So now, one thing I have to say, Mr. Speaker, that the rhetorical question was asked . . . or actually it was a statement made by the Honourable Member that if the PLP were to bring this Bill they would be crucified. And that is true. That is true. And why is that true? Because their record of stewardship of this Government has discredited them so much that if they brought this they would be crucified. That is the reason that they would be crucified.

So, you know, a lot of what we do in terms of finance, Mr. Speaker . . . I have been in the financial services business for 40 years. All right? I have been

in the investment business for 30 years. And I can tell you, much of what you do if you are successful in the investment business, in the financial services business, has to do with your credibility. It has a lot to do with your credibility. It is not only what you say, but who says it. As the old commercial on TV used to say, *When E. F. Hutton speaks, people listen*. So it is who says it that counts. And who says it has to do with how you have conducted yourself—

[Inaudible interjection]

Hon. E. T. (Bob) Richards: So I want to answer that particular Member's statement about if the PLP did it, you know, they would be crucified. Yes. And that is because of the performance that they have had.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: Now, I want to address the . . . before I get to the Honourable Shadow Minister's questions—by the way, virtually all of which were quite legitimate—I am trying to deal with the things that were of irritation to me first so I can get it off my chest.

The Speaker: Well, why don't you . . . the best thing to do would be to get to the Honourable Deputy . . . just deal with his questions, leave the other stuff alone.

Hon. E. T. (Bob) Richards: Okay, I will try to do that, Mr. Speaker.

But I wanted to just comment on the Honourable Opposition Leader's discourse—

The Speaker: Yes.

Hon. E. T. (Bob) Richards: —which was interesting, because I think it is important for us to explain, repeatedly, the strategy going forward so that when folks start to cast aspersions on it, at least they have something to fall back on . . . a recent statement by somebody from over this side is what it is we are trying to do.

And in the talk that I gave to the Chartered Accountants last week, I talked about raising taxes, which is an option which would hurt the economy. I talked about drastic reductions in the Civil Service which would help the deficit, but, of course, would . . . these folks have no place to go, so that would be a loss . . . a non . . . it would not be a good strategy at all because these folks cannot go to another town or city like they can in big countries, they stay here.

The issue of inward direct investment is crucial to Bermuda—crucial. My colleague at the end of the table here, the Minister of Tourism, is at the front line of this. We have to get investments in [the] tourism infrastructure in this country. We have to do it one

way or the other. And once we get that investment in this country, it will provide jobs for Bermudians and it will provide income for this country. It will provide income for this Government. It will provide the kind of growth that we need.

But we have got to have the investment first in any economic activity because there is no question of chicken and egg in economics. Investment comes first in economics, before jobs, before profits—before anything else, you have to have investment. And we have been lacking investment particularly in tourism infrastructure for decades.

So in order to get that investment we have to change the paradigm, in tourism in particular. And that is one of the things that we have been discussing with the . . . the Minister talked about that Tourism Summit last week. We are trying to change the paradigm so we can get the inward investment, so we can get that money in here, so that we can create those jobs, so we can grow the economy, so we can get out of this deficit. Those are the steps that have to be taken. That is how it is going to work.

And the Honourable Leader of the Opposition was right about opening up the local economy, but who are you going to open up the local economy to? You are going to have to open up the local economy to foreign investment because there is no money in Bermuda. As my friend, Mr. Craig Simmons, said at that same Chartered Accountants round table, Bermudians are 145 per cent invested. It means, in other words, whatever money they have, they have borrowed 145 per cent of it. So, clearly, Bermudians have over-borrowed by 45 per cent. So there is no money in the bank for us. We have got to get that money from overseas.

So I agree with the Honourable Opposition Leader that the local economy has to also avail itself of foreign direct investment. We have to look at easing that 60/40 [ratio] thing that has kept out foreign investment forever. Those are the things we have to do to grow this economy. You have to ([to] use a cliché) think outside the box here. So I agree with him 100 per cent.

One more thing that was said by the Honourable Leader of the Opposition, which was interesting, was, *Governments cannot manage the economy [sic]*. I do not think I agree with him there because that is one of my responsibilities, to manage the economy. All right? But more than anything else, Mr. Speaker, Governments can mess up the economy. They can mess up the economy. They can mess up the economy more than they can create a good economy.

It is easier to mess up an economy as a Government than it is to create an environment where things work. It is much more difficult to create an environment where things work. And the former Government took an economy that was working and made it into one that did not work. So it is real easy to mess up an economy, but it is real hard to turn that around.

And that job, Mr. Speaker, has fallen to us. That job has fallen to us. And we take it on with pride. We love the challenge. But that job has fallen to us.

So I will tell those Honourable Members that we did promise to create an environment, to create 2,000 jobs—and we are going to do it in five years—we are going to do it in five years.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: But to expect us . . . to expect us to do it in six months is ludicrous. To expect us to do it in six months is ludicrous.

Now, the Honourable Member, Mr. Burt, asked about . . . no, before I get there, Mr. Burt, I have one more thing I have to say.

People are making comments about the size of this financing we are going to do. One of the things that I want to remind Members of is that there is an economy of scale with borrowing large. There is. The arrangement that we are having with these two banks that I named earlier—JP Morgan and Barclays—the cost of their services is going to be 10 basis points less than the financing that the former Government did with HSBC. And much of that is because the package is bigger. All right? And so we get a lower rate. So there is . . . there are . . . in addition to the interest rate situation (which I will address in a moment) there is just the whole issue of size. You get a better price when you do a bigger deal.

An Hon. Member: Size does matter.

Hon. E. T. (Bob) Richards: Size does matter, indeed.

Now, the Honourable Member, Mr. Burt, asked, Will we balance the budget in five years? And the answer to that is that that is our objective—to balance the budget in five years. We said that before we became Government. We said it in my Budget speech. I am saying it again. That is the objective—to balance the budget in five years.

There was a question about conflict of interest with the Debt Management Committee. The Debt Management Committee is an advisory committee. They do not do anything. They just make recommendations to me. We do not trade; there is no trading situation with them. The member that the Honourable Member mentioned is not a broker, so I mean . . . I thought that question was off base.

You know, in terms of the deficits going forward, Mr. Speaker, we presented a budget for this current year that we are in now. All right? We have not presented budgets for the year 2014/15 or 2015/16 or 2016/17. We have not presented budgets for those. All right? I am hopeful that when we come back here in February next we will be able to present what I think are more comprehensive multi-year budget estimates. Not that we do not have estimates here. I have got some in front of me, but they do not have the kind of

rigour that we will go through for an actual budget. All right?

But I can tell you that we are looking at deficits of multiple hundreds for the next two years. But, you know, I cannot be kind of held to that because I do not know what we are going to have insofar as recommendations of [the] SAGE Commission. So we have a lot of balls in the air right now, but we have to make some estimates based on something. And so we do know that under the current circumstances with the Government and the size and structure that it is now, there are certain things that will be ongoing. And so we can make estimates based on that.

And the Honourable Member will recall, he said . . . I think somebody asked me, *Well, why don't we have a graph?* Well, you know, I produced a graph for this House in February.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: No. But you asked me for a graph. I gave you one. And you know, you can—

[Inaudible interjection]

Hon. E. T. (Bob) Richards: And you know what? You can interpret the numbers from that graph.

[Inaudible interjections]

An Hon. Member: No, no.

Hon. E. T. (Bob) Richards: Oh, yes.

But what I am not going to do, Mr. Speaker, what I am not going to do is to start reeling off specific numbers then have people making all kinds of ridiculous statements, because numbers kind of have a life of their own. I know that. All right? But I know that we are looking at a reducing deficit situation over the next three to four years—that is for sure—because we are committed to reducing this deficit until eventually it grows into a surplus. And just take that scenario itself. It is easy to come up with \$800 million or a billion dollars—easy—with that kind of requirement going forward. It . . . it . . . you know, this is not real rocket science here, and it is not exact science either. It is not exact science.

So let us move on to the issue of the Government is taking a bet. I have been listening to all kinds of what I think is really quite ridiculous rhetoric on this thing about how we are gambling with the taxpayers' money.

Mr. Speaker, one thing you learn in the investment business is that no matter what you do—whether you do something positive, something negative, or whether you do nothing—you take a bet. There is a risk associated with every option. There is a risk associated with what we are doing or proposing to do here today. There is a risk associated with what

the PLP did, which was finance it every year, and everything in between. So if somebody says am I taking a bet—yes. But the previous Government took bets, too. You take a bet by financing it every year, year after year. And the bet is that interest rates will not go down—that is the bet. My bet is that interest rates will go up. But the other bet, by going year to year, is that interest rates are going to go down.

An Hon. Member: Or remain flat.

Hon. E. T. (Bob) Richards: No, remain flat . . . that is a bet, too.

So the point is that there is no free lunch in investments. There is no free lunch. So to get up and rhetorically say [that] I am taking a bet is a non-point—it is a non-point.

[Inaudible interjections and crosstalk]

Hon. E. T. (Bob) Richards: You know, even the safest investment, Mr. Speaker, the safest investment known to man is US Treasury Bonds. And you can lose money on that. All right? If you take your money and put it in a bank account, in a current account, you can still lose money on that. People in Ireland and Iceland know that because their banks went out of business. People in Cyprus know that. So there is no such thing as a riskless investment. No such thing.

So when I hear this rhetoric coming from the other side about bets, I say to myself, *These guys are just trying to create uncertainty in Bermuda.*

[Inaudible interjections]

Hon. E. T. (Bob) Richards: They are just trying to create doubt in people's minds! For what?

[Inaudible interjections]

Hon. E. T. (Bob) Richards: For what?

[Inaudible interjections]

Hon. E. T. (Bob) Richards: That is what they are trying to do. Not you, Honourable Member, but your colleagues.

The Speaker: Honourable Member, speak, speak to the Chairman.

Hon. E. T. (Bob) Richards: Not the Honourable Leader of the Opposition. I do not have a problem with him. All right? I have a problem with some of his colleagues, that when they say these things they are just trying to cast aspersions. They are trying to create doubt in the minds of people—

An Hon. Member: No!

Hon. E. T. (Bob) Richards:—for no reason at all, just saying that we are taking a bet. I had the Learned Honourable Member, said that we are gambling with people's money. Well, that is sheer nonsense!

[Inaudible interjections]

Hon. E. T. (Bob) Richards: That is sheer reckless nonsense!

[Inaudible interjections]

Hon. E. T. (Bob) Richards: And I will not stand up here and take that.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: And I will not take it, Mr. Speaker from a Government that operated under the assumption that one and one makes eleven!

Mr. E. David Burt: Point of order, Mr. Speaker.

Hon. E. T. (Bob) Richards: One and one makes eleven!

The Speaker: Honourable Member.

[Inaudible interjections]

Mr. E. David Burt: Point of order, Mr. Speaker.

The Speaker: Yes.

POINT OF ORDER

[Misleading]

Mr. E. David Burt: I do believe that the Honourable Minister of Finance is misleading the House, so I am hoping that he can clarify for me . . . because in one sentence he said he is taking a bet and the other one he said he is not. Please tell us which one it is, Mr. Speaker.

The Speaker: Honourable Minister?

[Inaudible interjections]

Hon. E. T. (Bob) Richards: I said that everything is a bet. That is what I [said].

[Inaudible interjections]

The Speaker: All right.

Hon. E. T. (Bob) Richards: Everything is a bet because there is no such thing as a non-bet with money.

[Inaudible interjections and crosstalk]

The Speaker: Honourable Members!

[Gavel]

The Speaker: Let us have some order.

[Gavel]

Hon. E. T. (Bob) Richards: There is no such thing as a non-bet.

But let me . . . somebody asked for information, so let us give them information. What I have in front of me now is a forward curve analysis from Bloomberg which shows interest rates going forward in time in the bond market. Now why is this in any way meaningful? Because these rates represent the consensus of opinions of market makers in the investor markets at this point in time which was up to . . . what day was it? July 12th.

An Hon. Member: Last year.

The Speaker: July 12th last [year]? June 12th or July . . .?

Hon. E. T. (Bob) Richards: No.

The Speaker: Was it last year, July?

Hon. E. T. (Bob) Richards: No, no, not last year.

The Speaker: Well, it must be June 12th, then.

Hon. E. T. (Bob) Richards: June 12th.

So, what we have here is for 10-year bonds. All right? For 10-year bonds—if you would buy a 10-year bond right now (this is for US Government) the forward rate is 2.92 per cent. If you go out further to six months, it is 3.14 per cent. If you go out to one year, it is 3.36 per cent. If you go out two years, it is 3.78 per cent. If you go out three years, it is 4.1—

POINT OF CLARIFICATION

Mr. E. David Burt: Point of clarification, Mr. Speaker.

The Speaker: Yes?

Mr. E. David Burt: I am not trying to disrupt—

The Speaker: Honourable Minister, if you could just . . . yes.

Mr. E. David Burt: I just want to know exactly what he is referring to when he is saying "10-year rates at "X" [per cent]"—what specifically is he referring to? I

know he said Bloomberg, but are you saying Treasury prices?

The Speaker: All right, okay.

Hon. E. T. (Bob) Richards: We are talking about a US dollar swaps—US dollar swap rate—forward rates. All right?

For three years, it is 4.1 [per cent]; four years, 4.3 [per cent]; for five years it is 4.45 [per cent]. So, what this tells you is what the market expects interest rates to do in the future. That is what it tells you. It is the consensus of the market.

If you would have taken this same snapshot five or six years ago you would have seen a completely different picture. Instead of the interest rates going up, they would have been going down. All right? We are basing our strategy on judgments of this empirical data here. If Members think that we just . . . it is not just. You cannot find some economist who says something in a magazine or a newspaper and use that; that is no use. That is no use. What we need to do is to look at what the market's consensus analysis is and this page is kind of an indication of that.

This is the reason that we are taking this strategy. People have to understand that this is a strategy; the former Government took another strategy. I could tell you that we are actively looking for ways to save money in this Government in any way we can. We still believe we can save a great deal of money by taking this particular strategy.

[Inaudible interjections and crosstalk]

Hon. E. T. (Bob) Richards: Okay, there was a question, Mr. Speaker, on the investment strategy for the Sinking Fund—of the money that we are going to put in the Sinking Fund.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: The investment, as I stated in my prepared remarks, the money that is going to go into the Sinking Fund that will be put aside for future years' deficits will be invested prudently and conservatively. I expect that they will be invested in fixed income securities of short maturity. Certainly less than one year which reduces the . . . and I think they will be invested in very high quality, probably US Treasury Bonds or some equivalent. This would be the strategy for this money. The question that the Honourable Member asked was, Will it earn as much as we are paying for the money? The answer is no. There will be a margin, a margin of extra costs.

An Hon. Member: Negative carry.

Hon. E. T. (Bob) Richards: A negative carry, that is correct. That is the term that average folks will not understand, but you understand it. Right?

[Inaudible interjections]

The Speaker: Speak to the Speaker. Do not worry about the Shadow . . .

Hon. E. T. (Bob) Richards: However, we anticipate that as the US economy continues to recover . . . I would not have said this a year ago. I definitely would not have said this a year ago because the US economy was really struggling a year ago, but there is a whole host of data that shows that the US economy is coming out of this slowly—which is a very good thing that it is coming out slowly.

I read somewhere yesterday where somebody called this a "Goldilocks market" (because it is not too hot and it is not too cold, that sort of thing), but we see that as this economy continues to strengthen, Europe is not, the UK is not, Japan is not, the US is. As this happens, interest rates will climb and the money that we have invested in these short-term high-quality securities will get reinvested at higher rates. So that negative carry will get smaller and smaller and smaller.

So that is the strategy. Okay? We are intending to use our best efforts to manage the money of this country in as smart a way as we can. That is what this strategy is all about.

The Speaker: Thank you, Minister.

Hon. E. T. (Bob) Richards: I think that I will stop there and ask that this Bill now be committed.

[Desk thumping]

The Speaker: All right. Thank you, Honourable [Minister]. It has been moved that the Bill be committed.

Are there any objections to that?

There are none.

I would ask, please, that the Deputy Speaker, Mrs. Roberts-Holshouser, now take the Chair [of Committee].

[Pause]

House in Committee at 5:09 pm

[Mrs. Suzann Roberts-Holshouser, Chairman]

COMMITTEE ON BILL

¹GOVERNMENT LOANS AMENDMENT (NO. 2) ACT 2013

The Chairman: Honourable Members, we are now in Committee of the whole [House] for further consideration of the details of the Bill Government Loans and there is amendment to the title, Government Loans Amendment (No. 2) Act 2013. I call on the Minister in charge to proceed.

Minister, you have the floor.

Hon. E. T. (Bob) Richards: Thank you, Madam Chairman.

This Bill amends the Government Loans Act 1978 to require the Government, where it has borrowed monies for the purpose of multi-year budgeting financial requirements to meet budgetary requirements for a number of consecutive years, to deposit into the Sinking Fund any amount of the monies borrowed that is not necessary for budgetary requirements for a particular fiscal year.

There are not that many clauses, so I think I will move all the clauses, Madam Chairman.

The Chairman: 1 through 5?

Hon. E. T. (Bob) Richards: Yes, thank you.

Clause 1 provides the citation for the Bill.

Clause 2 amends section 1 of the principal Act so as to provide in the interpretation [section] for the definition of the term "the Fund" to enable ease of reference with respect to the term.

Clause 3 amends section 2 of the principal Act to make consequential amendments to subsection (4) necessitated by further amending the section to insert a new subsection (5). The new subsection (5) inserted into section 2 of the principal Act requires the Minister to deposit into the fund any amount of the sums borrowed that is in excess of the amount necessary to meet the budgetary requirements of a particular fiscal year. While borrowed funds will still have to be paid into the Consolidated Fund initially, they will then be transferred to the Sinking Fund.

Clause—

[Crosstalk]

The Chairman: It would be appreciated if I could actually hear what you are saying rather than having a challenge in trying to hear what you say. So if Members could respect the person who is speaking that would be greatly appreciated.

Thank you, Minister. You can have the floor.

Hon. E. T. (Bob) Richards: Thank you, Madam Chairman.

Continuing on, clause 4 amends section 12 of the principal Act in subsection (2) to provide that the fund shall also consist of any amount of the sums borrowed that is in excess of the amount necessary to meet the budgetary requirements of the particular fiscal year. Previously only the 2.5 per cent contribution was paid into the fund.

The clause further amends section 12 in subsection (3) to exclude proceeds of loans deposited into the fund under section 12(2)(b) from being defined as public debt. It makes no sense to pay the 2.5 per cent contribution into the fund on funds already in the fund. When they are taken out, they will draw the 2.5 [per cent] contribution.

Furthermore, the clause amends section 12(4)(a) to provide that the requirement of amounts deposited into the fund are to be deposited on or before the 30th of June in a fiscal year, and, [if] they are not deposited within such time, interest at the rate of 2 per cent per annum is to be paid into the Consolidated Fund. That shall apply only with respect to the amounts deposited under section 12(2)(a). This amendment is to exclude amounts deposited from excess borrowing deposited into the Sinking Fund from the requirement to pay the 2 per cent interest. Annual contributions are due on June 30th. If later, they will attract a 2 per cent penalty.

Clause 5 amends section 12A of the principal Act to insert a new subsection (1B) which provides that proceeds of loans deposited into the fund shall only be applied by way of investment under the [Public Funds Act 1954](#) and against future years' deficits.

I think that is it, Madam Chairman. Thank you.

The Chairman: Thank you, Minister.

It has been moved that clauses 1 [through] 5 be approved.

Are there any Members that would like to speak to these clauses?

Thank you. The Chair recognises the Shadow Minister of Finance, Mr. E. David G. Burt, from Pembroke West Central, constituency 18.

You have the floor.

[Pause]

The Chairman: Member, you have the floor.

Mr. E. David Burt: Oh, thank you, thank you, Madam Chairman. My apologies.

I would like to go to clause 5, please, section [12A] (1B) (a) which talks about the fund by way of investment. I would like to get some clarification from the Minister of Finance because I did not . . . I had asked a question to the general debate, and I did not have that . . . and it specifically deals with this section regarding investment.

¹ [Title amended](#) from Government Loans Amendment Act 2013 to Government Loans Amendment (No. 2) Act 2013.

The first question I would have for the Minister of Finance is (just to be clear), Who is going to be managing these funds? That is something that I had asked before and I just hope that he could clarify insofar as the investment here.

If these funds are going to be invested as per this clause, I would like to know who is going to be specifically managing these funds in the day-to-day management of the investment portfolio. The same people that manage other funds? A different group? et cetera. That is just a question there.

Another question that I had insofar as the management of the investment of these funds is, previously, before in the general debate, I had asked in regard to the informal committee that is advising him whether or not any persons will be participating in that and he said that the person is a broker. My question was, are any persons (or the companies that they represent) prohibited from participating or benefitting from any type of investment or commission activity which may result out of this? That is the question that I needed to have [answered] there, and that applied to the people and the public funds—not the Public Funds Investment Committee, but the Debt Management Advisory Group.

A further question is that . . . and I think that we kind of hit on it during the debate, but where it goes this investment. Again, I guess the question that I also had is, How much do interest rates have to rise in order for the Minister's bet to pay off? I think that is the question. When do we go in the black?

What is the level of interest rates that are required, because he has clearly made the calculations; he gave calculations of \$20 [million] to \$40 million. What are the changes of rates that are going to get us to that point? How do we get to measure whether or not this was a successful strategy that will be executed by the Minister of Finance?

I think that when we are speaking to the investment of these funds we should be clear how these funds are being invested and we should know what will be the result of that.

Madam Chairman, I reserve my right to speak again after the Minister.

The Chairman: Of course.

Are there any other Members that would like to speak?

If not, the Chair recognises the Minister.

You have the floor.

Hon. E. T. (Bob) Richards: Thank you, Madam Chairman.

The Public Funds Investment Committee [PFIC] is responsible for investing these funds. Ultimately, they answer to me. So, ultimately, I am responsible. But we do have this. The PFIC is a statutory committee and they oversee the pension funds and

they will be the ones overseeing the money in this as well.

The people on the advisory committee will have nothing to do with the investment of these funds at all. This is a "debt" advisory committee. It is not an "asset" advisory committee. They are not involved in any way, shape or form. I think all of them work for reinsurance companies. So they are not involved in any case—either insurance or reinsurance.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: No, no. I am not.

[Inaudible interjection]

The Chairman: Member, speak to the Chairman.

Hon. E. T. (Bob) Richards: They do not invest other people's money. They invest their own money.

The Chairman: Member! Speak to the Chair, Minister.

Hon. E. T. (Bob) Richards: I am sorry. Sorry, Madam Chairman.

Anyway, they are not involved in this at all. How much would interest rates have to rise? Well, the savings that I am talking about are calculated over the life of the security—

An Hon. Member: Ten years.

Hon. E. T. (Bob) Richards: Yes, 10 years. I do not have an exact number for you on that one, although I can share with you a spread sheet that worked this out. Remember, I told you I would share with you the names? I did it, so I will do the same thing on this. Okay?

The Chairman: Thank you.

Are there any other questions?

The Chair recognises the Shadow Minister of Finance.

You have the floor.

Mr. E. David Burt: Madam Chairman, I do not want to take too much of the Minister's time and I thank him for answering the questions. I guess I just have a question and/or clarification. I understand the Public Funds Act states that the Public Funds Investment Committee has advisory powers, but the Minister is the one who ultimately has responsibility. He can ignore their advice on investment. Two questions from that.

The first question is, Is the day-to-day management outsourced to a particular company? I am trying to figure out, and I do not know (even given my prior position as Junior Minister of Finance), therefore I am asking the questions for clarification as the

Shadow Minister of Finance. Is it outsourced or is there a trade room somewhere at the Accountant General's department where people on the Public Funds advisory group are telling people where to invest the money? So that is a question I have.

The second question is . . . and I guess it is just a small bit of confusion that I have because the Minister of Finance said the Public Funds Investment Committee is responsible and members of his informal debt advisory board are not responsible, and then during the general debate I brought up the fact that there is one member that is on both committees. The member, his name is Mr. Miguel DaPonte, sits on the Public Funds Investment Committee and he also sits on the Debt Management advisory group. I think that the Minister is saying that one is not involved with the other. I think that is not entirely true. So I am just trying to find the line of demarcation because there seems to be an overlap which is going on there.

Thank you.

The Chairman: Thank you.

Are there any other Members?

No other Members.
Minister?

Hon. E. T. (Bob) Richards: Yes, that young man is a bright young man and he is giving his time for both committees. But these decisions are made—particularly in PFIC—by the committee, not him. He is not the Chair; the Chair is somebody else—

[Inaudible interjection]

Hon. E. T. (Bob) Richards: Yes. In the end it is on me. That is right. In the end it is on me.

As for whether it is outsourced or not, I do not know the answer to that question. We have not gotten the money yet, we have not even gone to market yet. But that will be decided in due course.

The Chairman: Thank you. We are still on clauses 1 [through] 5.

Are there any other Members that would like to . . . ? There are no other questions.

Minister?

It has been moved that clauses 1 [through] 5 be approved. If there are no objections to that motion . . . no objections?

Agreed to.

[Gavel]

[Motion carried: Clauses 1 through 5 passed.]

Hon. E. T. (Bob) Richards: Madam Chairman, I move the Preamble.

The Chairman: It has been moved that the Preamble be approved.

Is there any objection to that motion?

No objections.

Agreed to.

[Gavel]

Hon. E. T. (Bob) Richards: I move that the Bill be reported to the House.

The Chairman: It has been moved that the Bill be reported to the House with the amendment to the title.

Are there any objections to that motion?

No objections.

Agreed to.

[Gavel]

Hon. E. T. (Bob) Richards: Thank you.

[Motion carried: The Government Loans Amendment (No. 2) Act 2013 was considered by a Committee of the whole House and passed with an amendment to the title.]

House resumed at 5:23 pm

[Hon. K. H. Randolph Horton, Speaker, in the Chair]

REPORT OF COMMITTEE

GOVERNMENT LOANS AMENDMENT (NO. 2) ACT 2013,

The Speaker: Members, the Bill and the second reading of the Government Loans Amendment [(No. 2)] Act 2013, as the title was amended, has been reported back to the House. It has passed, and we will move on now to Order No. 4 which is carried over. I believe Order No. 4 is carried over.

Order No. 5, by Ms. Foggo, I think that is carried over.

We go now to Order No. 6 in the name of the Member, Mr. W. L. Furbert, the Honourable Member from Hamilton West, constituency 6.

You have the floor.

MOTION

CONSULTANCY CONTRACTS OVER AND ABOVE \$50,000 SHOULD BE LAID BEFORE PARLIAMENT WITHIN 30 DAYS OF SIGNING

Hon. Wayne L. Furbert: Thank you, Mr. Speaker.

Can you give the Whip . . . I believe I gave you one last week, if you have it, Mr. Speaker? An amendment?

The Speaker: Yes. Yes, I think I . . . do we have? Yes?

Hon. Wayne L. Furbert: Mr. Speaker, I do not plan to be long because at the end of the day we either support the basic right for transparency and accountability or we do not. So I am expecting to probably be within short order, probably 10 minutes at the most, speaking on this particular motion.

PROPOSED AMENDMENT NO. 1

Hon. Wayne L. Furbert: I move that the motion under my name be amended to read as follows:

That this Honourable House believes that as a measure of good governance, all consultancy contracts over and above \$50,000 should be laid before Parliament within 30 days of the signing, with exemptions for contracts directly dealing with national security, defence, investigations and proceedings, law enforcements, court records, audit functions, and Government policy.

We have been hearing for years the idea of good governance—

[Inaudible interjection]

Hon. Wayne L. Furbert: Sorry.

The Speaker: Hold for one second.
Okay, now so we have an amendment—

[Crosstalk]

The Speaker: Members! The motion was:

That this Honourable House believes that as a measure of good governance, all consultancy contracts over and above \$50,000 should be laid before the Parliament within 30 days of the signing.

The Honourable Member, W. L. Furbert, is amending that motion so that we will discuss the following:

That this Honourable House believes that as a measure of good governance, all consultancy contracts over and above \$50,000 should be laid before Parliament within 30 days of the signing, with the exemption for contracts directly dealing with national security, defence, investigations and proceedings, law enforcement, court records, audit functions, and Government policy.

[Inaudible interjection]

The Speaker: Right. So we have an amendment to the motion. Are there any . . .

Yes? Right, yes, go . . .

Hon. Mark J. Pettingill: Sorry, Mr. Speaker, I am having sight of this, but we would have, with respect, in large part accepting that amendment, an amendment to the amendment that I would wish to put forward. Obviously, I have only just had sight of this now so I would want to . . . and it is very simple to do. Indicate what that amendment is—

The Speaker: You are doing an amendment to the amendment to the motion?

Hon. Mark J. Pettingill: Yes.

The Speaker: Right. If you do an amendment to the amendment, then we look at the amendment to the amendment first.

Hon. Mark J. Pettingill: Yes, I believe so.

The Speaker: I have been here for a long time.

Hon. Mark J. Pettingill: I would invite Members, with respect, that they could amend this one themselves because . . . without necessarily killing any more trees—

The Speaker: Okay. I will give the floor now to the Learned Attorney General. And you want to make an amendment to the amendment that was just made.

Hon. Mark J. Pettingill: I would read it out.

The Speaker: If you would. It would also be good . . . do you not have copies of that? All Members should have a copy so . . .

Hon. Mark J. Pettingill: Mr. Speaker, the only thing is . . . with respect, I am embracing the Honourable Member's amendment to his [motion], but I have one alteration that would be our amendment. So I do not . . . I tried to be clairvoyant, but I did not quite see this one coming.

The Speaker: Yes.

Hon. Mark J. Pettingill: So as much as I—

The Speaker: All right. Well, carry on.

PROPOSED AMENDMENT NO. 2

Hon. Mark J. Pettingill: Okay. So the amendment would read:

“That this Honourable House believes that as a measure of good governance, all consultancy contracts over and above \$50,000” (substitute for the word ‘should’ [the word] ‘may’—m-a-y) “may be laid before Parliament within 30 days of the signing with the exemption for contracts directly dealing with national security, defence, investigations and proceedings, law enforcement, court records, audit functions, and Government policy.”

The Speaker: Right, right.

Hon. Mark J. Pettingill: So, we are changing the word—

[Inaudible interjection]

Hon. Mark J. Pettingill: Sorry?

[Inaudible interjection]

Hon. Mark J. Pettingill: Yes, I will take that.

The Speaker: Yes.

Hon. Mark J. Pettingill: I will take that. We are trying to work together. So I would amend the word “should” to read the word “may.”

The Speaker: Right. All right.

So we have now an amendment to the amendment. So what we will do first of all is vote on the amendment to the amendment which would be as follows, the amendment to the amendment is:

“That this Honourable House believes that as a measure of good governance, all consultancy contracts over and above \$50,000 may be laid before Parliament within 30 days of the signing—

[Crosstalk]

The Speaker: Honourable Members! The Speaker is speaking!

I will start over. The amendment to the amendment is:

“That this Honourable House believes that as a measure of good governance, all consultancy contracts over and above \$50,000 may be laid before Parliament within 30 days of the signing with exemption for contracts directly dealing with national security, defence, investigations and proceedings, law enforcement, court records, audit functions and Government policy.”

The Speaker: Now, all those in favour of the amendment to the amendment, please say Aye.

AYES.

The Speaker: Those against, say Nay.

NAYS.

The Speaker: The Ayes have it.

So we will debate the amendment to the amendment and . . . are you leading the debate?

Hon. Mark J. Pettingill: No, I am sorry. The Honourable Finance Minister will.

The Speaker: Oh, the Honourable Finance Minister. Are you ready, sir?

[Inaudible interjection]

The Speaker: No, no, no. It is your motion now.

An Hon. Member: He does not know the rules, Mr. Speaker.

[Inaudible interjections and crosstalk]

The Speaker: The Chair now recognises the Honourable Minister of Finance, the Honourable Member from constituency 11, Devonshire East, Minister Bob Richards.

You have the floor.

CONSULTANCY CONTRACTS OVER AND ABOVE \$50,000 MAY BE LAID BEFORE PARLIAMENT WITHIN 30 DAYS OF SIGNING

[Debate on motion as amended]

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

When I first saw this motion from the Honourable Member, Mr. Furbert, I was reminded of the old saying, *Don't shoot the messenger*. That particular saying comes from the fact that in ancient times being a messenger was an extremely dangerous job. Often messengers were sent between armies and the messenger used to come back strapped to his horse without his head.

[Inaudible interjection and crosstalk]

Hon. E. T. (Bob) Richards: I was mindful of the role the messengers plays—

The Speaker: Honourable Member. Can you . . . the Leader of the Opposition has just brought my attention to something that I think is worth looking at in regard to the amendment, and which he saw as an oversight in terms of even their amendment, his amendment, in that he would want to stop (and I would agree with this) where it says “audit functions” and not “and Gov-

ernment policy” because contracts would always be connected to Government policy. So I do appreciate that, Leader of the Opposition, in pointing that out and that is a matter. So if we can—

[Inaudible interjections]

The Speaker: Yes, we really need to—

[Inaudible interjections]

The Speaker: What we will do is remove “Government policy” where it says “and Government policy.” Are Members all in agreement to that?

[Inaudible interjections]

The Speaker: Agreed.

It should be “and audit functions.” Right? In other words “court records and audit functions(.)”—full stop.

Okay? All right, if all Members are in agreement to that, then we will continue.

Thank you.

Thank you, Leader of the Opposition, for pointing that out.

Carry on.

Hon. E. T. (Bob) Richards: Getting back to my narrative of the headless messenger—

The Speaker: Yes.

Hon. E. T. (Bob) Richards: So, the reason I am saying that is because as it relates to messages . . . and this original motion is a message of sorts and it is not only the message itself but the messenger. So it is not just what it said, it is who said it. And that is because the messenger very often forms the context around the message itself and people understand the message within the context of who says it. So I was looking at this particular motion from that particular perspective. Not only the motion itself, which is the message, but who is bringing the motion. I do not mean the Honourable Member, Mr. Furbert, personally, not by any means, but—

An Hon. Member: You are not going to cut his head off.

Hon. E. T. (Bob) Richards: No, we are not going to take your head off Honourable Member.

—but the messenger in terms of the organisation from which it emanates, i.e., the Progressive Labour Party [which] is now the Opposition.

When I first read it, I also thought . . . there were two words that came to my mind. The first word was the word “Janus,” which is the Roman God that has two faces; and the second word was the Greek

word “*hypokrisis*,” which, of course, the word “hypocrisy” is derived from, which means playing a part in the theatre, playing a theatrical part in a play. Those are the two words that came to mind. The Janus is appropriate—the two-faced god—because the Opposition is bringing this message now as Opposition (that is their current face). But up until December 17th they also had the face of the Government. That is where the two-faced god comes in.

Let us examine the Government face of the messenger here. We need to look at what the PLP Government did insofar as consultant contracts that were over \$50,000. Did they bring it to the House for approval?

Members, did they bring it to the House for approval?

Some Hon. Members: No!

Hon. E. T. (Bob) Richards: No! They did not bring it to the House for approval.

They were in the Government for 14 years and I do not think they ever brought this kind of thing to the House for approval.

Secondly, Did they always conform to the proper due diligence in conducting a search for the consultant?

[Crosstalk]

Hon. E. T. (Bob) Richards: Did they always have open RFP process or always follow financial instructions?

Some Hon. Members: No!

Hon. E. T. (Bob) Richards: No!

So let us look at some examples, Mr. Speaker, of consultant’s contracts over \$50,000. I asked my people in my Ministry to do a little search on this and I came up with some folks. The first one was the Honourable Member, Mr. Walton Brown, had a no-bid contract for \$25,000; plus, his company, Research Innovations, had a contract that earned \$770,000—

Some Hon. Members: Whoa!

Hon. E. T. (Bob) Richards: —over a period of years.

POINT OF ORDER

[Misleading]

Mr. Walton Brown: Point of order.

The Speaker: Yes, yes, Honourable Member.

Mr. Walton Brown: The Minister is deliberately misleading the House. My company has never received over its 20 years of existence any contract from the Bermuda Government totalling \$700,000. So I would

request very strongly that this Minister, who I am required to call "Honourable" in this House, withdraw that remark because it is completely untrue.

The Speaker: All right. thank you.

Mr. Walton Brown: And for that Minister to disseminate false information to the public is completely inappropriate.

The Speaker: All right, thank you.
Minister, where did that come from?

Hon. E. T. (Bob) Richards: This comes from the financial records of the Ministry of Finance.

The Speaker: The Honourable Member is saying that he was not . . . his company never received that kind of money.

Hon. E. T. (Bob) Richards: Okay. Well, the Honourable Member can say that, but these are Government records I got these numbers from.

The Speaker: Carry on.

Hon. E. T. (Bob) Richards: I just have a few of them, but they are of interest to the point [that] I am trying to make.

The next one is a former Member of this Honourable House, Ms. Renee Webb. Between 2011 and 2012 she had a no-bid contract for \$8,333 a month—

An Hon. Member: Whoa!

An Hon. Member: A month?

An Hon. Member: No!

Hon. E. T. (Bob) Richards: A month, yes. But she was only in the position for, I think, seven months so the total amount was \$58,300. To do what, I am not exactly sure.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: But it was a consultancy, it was a no-bid contract as well. All right?

Next a current Honourable Member, Mr. Commissiong, between 2006 and 2011 had a no-bid contract for a total of \$450,000.

Some Hon. Members: Whoa!

[Inaudible interjections]

Hon. E. T. (Bob) Richards: And lastly, the Honourable Member, the Leader of the Opposition, had, be-

tween 2007 and 2010, a no-bid contract for totals of \$318,000.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: These are from Ministry of Finance records.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: Pardon me?

[Inaudible interjection]

Hon. E. T. (Bob) Richards: From 2007 to 2010.

Now the question is, Were any of these reported to the House? And as far as I know—and I have been in the House—

[Inaudible interjections, crosstalk and laughter]

Hon. E. T. (Bob) Richards: —none of these were brought to the House. All right?

We will just change gears a little bit, Mr. Speaker, because I just want to illustrate a point that is related to this.

In the Bermuda Constitution, sections 30 and 31, it prescribes that people declare their interests in order to be eligible to stand for election to this Honourable House. But it says, subject to any other legislation, they have to declare. There is a rather obscure piece of legislature in Bermuda called the [Legislature \(Qualification and Disqualification\) Act 1968](#) that basically refines what a Member's interests are. It is an obscure Act and it kind of says a Member's interest is a Member's interest except for . . . and some of them are kind of common sense. If a Member's interest is less than 50 per cent of a company and a company has a contract with the Government, it is not considered an interest. Of course, if the person is a director or an officer of the company it does constitute an interest.

If somebody's relative has a contract with Government, it does not constitute interest. If somebody owns a bond or marketable security by the Government, it does not constitute interest. But most importantly a person who contracts for the supply of goods and services by or to the Government in the ordinary course of the conduct of trade, business or profession, or for the purchase, lease or use of Government property upon terms and conditions which are standard for any member of the public, that shall not be deemed interest in this context.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: Okay. I am getting to that, Honourable Member.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: When you look at that particular Act, as it is juxtaposed to the Constitution, you say, *If the Constitution says that a Member's interest needs to be declared* (and then it starts to list all of these exceptions you wonder), *what is the point?* The point is that it lists all these exceptions except for one thing. One type of transaction it leaves out and that is a transaction between the Government and a political insider. That is what this is driving at—political insiders having contracts with the Government. That, specifically, is an interest insofar as that Disqualifications and Qualifications Act and the Constitution.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: So one has to . . . and that is important because when you have a contract, a no-bid contract, with a political insider, what it means is that nobody else in the public even knew that an opportunity existed, much less had a chance to take that opportunity. That is the essential point here.

[Crosstalk]

Hon. E. T. (Bob) Richards: That is why the list of contracts that I just outlined is important. That is why it is important because nobody else had a chance of getting that. It was a closed door; a closed shop. Nobody else had a chance of doing that but political insiders.

I heard a mumbling, *What is a political insider?*

[Inaudible interjection]

Hon. E. T. (Bob) Richards: Well, let me say this.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: This Government had a consultancy contract with former Member, Mrs. Louise Jackson.

An Hon. Member: Is she an insider?

Hon. E. T. (Bob) Richards: She is a political insider, yes. And her contract was for six months for a total of \$30,000.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: That does not breach the \$50,000 barrier, so to speak, but that is an insider contract and we declared that. There is no problem.

[Inaudible interjection]

Hon. E. T. (Bob) Richards: Mr. Butterfield is not an insider. All right?

[Inaudible interjection]

Hon. E. T. (Bob) Richards: No. No! He is not an insider.

[Inaudible interjection]

An Hon. Member: Ask the Minister of Tourism if he is an insider.

Hon. E. T. (Bob) Richards: Not an insider. I mean, you can argue about that but, you know, he was never a Member of Parliament, or a Member of the Senate, or any kind of official in the OBA. Nothing! He is not even a member of the party. So he is not a political insider.

The list of the people that I just quoted were undoubtedly insiders, and these contracts were given as no one else even knew the opportunity existed, much less had a chance to bid.

POINT OF ORDER

[Misleading]

Mr. Walton Brown: Point of order, Mr. Speaker.

The Speaker: Yes, I recognise the Honourable Member, Mr. Walton Brown.

Mr. Walton Brown: Mr. Speaker—

The Speaker: Yes.

Mr. Walton Brown: The Honourable Member is coming very close to being consistently mendacious.

An Hon. Member: What is the point of order?

Mr. Walton Brown: And in doing so, Mr. Speaker, he is fundamentally misleading this House.

My contractual relationship (as my company) began with the Bermuda Government in 1989—clearly, back in 1989 I was not a political insider. So for the Minister to persist in this rhetoric to undermine and demean the character of individuals is unfounded.

The Speaker: All right.

Mr. Walton Brown: He needs to withdraw it.

The Speaker: Thank you, Honourable Member.

[Inaudible interjection]

The Speaker: One second, Minister.
Yes.

POINT OF ORDER*[Misleading]*

Mr. Rolfe Commissiong: Thank you, Mr. Speaker. I have a point of order as well. I also think that the Minister is misleading the House in that no-bid contracts, whether one agrees with it or not, are not illegal.

The Speaker: All right.

Carry on. Carry on, Minister.

Hon. E. T. (Bob) Richards: I do not recall saying that they were illegal, Mr. Speaker. I am just saying that both of those gentlemen who just took their seats sat in the Bermuda Senate and had those contracts.

An Hon. Member: No!

Hon. E. T. (Bob) Richards: So there is no question that they were political insiders.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: No question!

[Inaudible interjections]

Hon. E. T. (Bob) Richards: No, the Honourable Member Commissiong, I apologise. You were not in the Senate. That is right. That is right.

[Crosstalk]

Hon. E. T. (Bob) Richards: Mr. Speaker, I [will] get back to my original thesis about Janus, the two-headed god, and the Greek word *hypokrisis*, which is acting in a theatrical part.

I do not believe that today's voter in today's modern day . . . people are not going to accept Januses. There is no place for Januses in Bermuda where they bring a motion on transparency, yet they have acted in a way that is opposite to that. And we also do not have any place for people just playing theatrical parts trying to claim something that really the reality is far from the truth. It is not acceptable to declare . . . Mr. Speaker, as an analogy, it is not acceptable to declare that taking a cookie from a cookie jar is illegal after you have reached in and filled your belly with the same cookie. That is not acceptable. That is the height of hypocrisy. This motion smacks of hypocrisy from top to bottom. From top to bottom.

This Government believes in transparency and we will investigate ways and bring forward ways to increase transparency. But we will not be lectured to or have motions brought by the other side about transparency when their past actions have disqualified themselves to speak on this subject.

Thank you.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Member from Hamilton West, MP Wayne Furbert.

Hon. Wayne L. Furbert: Thank you, Mr. Speaker.

I will not be long, but it is unfortunate the way the debate has started because that was not the purpose. That really was not the purpose of why we brought this motion today.

I grew up under a very . . . not grew up under, but one of my mentors was John Barritt. John Barritt always talked about good governance. Every time he spoke he spoke about good governance. So this has never left me as an individual.

The Opposition, the Government is aware, first of all, that the Opposition cannot bring money Bills. So from time to time, we think of ideas that we can bring. They could have brought the same motion when they were in the Opposition. They could have brought the same motion that we have right now. They could have brought it. So the whole idea was, How do we move forward to improve. It is not about what we did 5 years, 10 years, 30 years . . . we can throw mud back across this floor for time and eternity, but that was not the purpose.

The purpose was how do we move ahead. Because most people who are on this side that are new, knew—and you [have] got new colleagues on that side—How do we move forward as far as good governance going forward? Not that the Opposition did not, the PLP did not bring it, or the United Bermuda Party did not bring good governance. Under the leadership of the Honourable Premier, Paula Cox, we brought Good Governance legislation. Did it go far enough? Probably not.

The Government, in their position right now, has the opportunity to bring further good governance legislation. This was a motion that says any contract . . . and I played with . . . I looked at it after this, because, you know, the first motion included everything, so I said, *Look, it doesn't make sense revealing what is happening in national security or defence*, so that is why we put some exemptions in. This is not the right time to be devious and trying to score some political points and call colleagues' names out. That is not right. There are many people on that side who have had contracts with government. But this purpose was to say that this legislation in this time supports transparency and it supports accountability. That is the bottom line.

I am glad that the Government has supported the motion. They have watered it down a little bit, and I understand that. "May" and "shall"—"should" or "shall" . . . no, I said "should" . . . but the purpose of "shall" is to water it down quite a bit. And they may or may not bring it. But I am hoping that they understand the purpose of what we are trying to do and I hope

that they do bring some contracts from time to time and lay [them] before this Honourable House.

But that is all I want to say, Mr. Speaker, is that I think that the debate led by the Minister of Finance went in the wrong direction.

Thank you.

The Speaker: Thank you.

I recognise the Member, MP Walton Brown, the Member from Pembroke Central, constituency 17.

You have the floor.

Mr. Walton Brown: Thank you, Mr. Speaker.

I had no intention of speaking on this ridiculous amendment to the motion because it has been watered down to such an extent that it has no real meaning to give a Government the power that says you "may" do something. That really does not mean anything.

But I am mainly going to respond on the issue of what I call information that has been disclosed as disinformation. On the issue of no-bid contracts that involved myself and my company . . . and all my work was done through my company, Mr. Speaker. And my relationship began with the Bermuda Government in 1989 when I was hired in a no-bid contract to honour the United Bermuda Party Government, and most of their predecessors, to investigate issues relating to drugs. I was the—

POINT OF CLARIFICATION

Hon. Michael H. Dunkley: Point of clarification.

The Speaker: Yes?

Hon. Michael H. Dunkley: The Honourable Member said all his work was done through his company, so is he saying he did not have a contract with government to be the special advisor?

The Speaker: Carry on.

Mr. Walton Brown: Thank you, Mr. Speaker. I will get to that.

So for the Minister to assert that I (through my company) had a contract worth \$700,000 is completely disingenuous. It is mendacious. He needs to retract that.

What did happen is between 1989 and maybe 2010 or 2011, I had a series of projects that I worked on for the Bermuda Government both under the United Bermuda Party and the Progressive Labour Party. Much of that was drug research, and then others some survey work.

There was one contract that was in my name as a special advisor and that, too, was a no-bid contract and for a very good reason, as the Government will understand. It was my idea to present to the Gov-

ernment an opportunity for us to challenge the British Government's disinformation sent to the European Union that resulted in every single Bermuda passport holder getting placed on a visa control list. We went to the British Government to try to get them to address it. They did not address it. So the issue was . . . I went and lobbied to get us the right to travel to the European Union without a visa. There was not anyone else in Bermuda working in those areas.

What I resent, and what I find problematic, is that here we have a newly elected Government to create a new approach to politics, openness and transparency, a commitment to honesty, a commitment to dispense with the old style of politics. And what do we have here today? Gutter politics, Mr. Speaker, trying to denigrate people by casting these aspersions!

I expected better. I really expected better, and the public in this country expected better. This is reminiscent of UBP politics. You deflect from the issue of disclosure and you try to insinuate misrepresentation. You try to insinuate some elements leading along the path to corruption, and it is highly inappropriate. If these Members expect to be continue to be called "Honourable," then they need to act in an honourable way, Mr. Speaker. I am going to call them Honourable and Learned because the rules require me to. But I really hope that the Minister of Finance will act consistently in an honourable manner.

Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Leader of the Opposition, the Member from Warwick South Central, constituency 26, the Honourable Marc Bean.

You have the floor.

Hon. Marc A. R. Bean: Mr. Speaker, thank you.

I, too, did not plan to speak to this motion especially after it was intentionally watered down by amending the motion to take out "shall" or "should" and make it "may" and turn it into a "may." We, on our side, said, *Well, this is a fruitless exercise and we might as well just go to the Motion to Adjourn and then go home and enjoy our evening.* But, Mr. Speaker, even after a long day of debate and discussion, even after having a somewhat conciliatory or cooperative approach in tone to high matters of importance in this country, we have a motion that [has] been put on the Order Paper to discuss what amounts to be good governance. That is all it is.

Last week, we had a motion by the Honourable MP Walton Brown to discuss electoral reform. Mr. Speaker, I am sure you can recall the shenanigans that went on when that motion was about to be discussed. It was the intention of the Government to derail the whole discussion on electoral reform—

something that you heard coming out of *their* mouths every day before December 17th, just like we heard "good governance" and "transparency" and "accountability." It proceeded from them—their side! These are their words, but yet last week they did all that they could—similar to the watering down of the motion today—they did all that they could not to discuss electoral reform.

I am wondering, why.

MP Brown is wondering why they want to water down a discussion on electoral reform. You know why? Because of a guilty conscience!

Oh, what?

Mr. Speaker, they . . . and I am sure they will jump up [and say], *Oh, you are misleading the House!* They know full well. They thought that we would get comments from heavy discussion, some gutter politics, casting aspersions or insinuating that there were electoral irregularities at the last election. They were afraid for us to raise that. That is why we saw the shenanigans, Mr. Speaker. They were afraid of transparency. They are suffering from a guilty conscience!

So now we have another discussion on good governance and we have the Honourable Minister of Finance getting up and casting aspersions saying, *Well, that person, that person, and that person.* Well, well, well . . . forgetting that he himself was the recipient of a contract from a PLP Government. How our Members are so selective!

Let me make it clear. All the consultant contracts of the past under the PLP Government were brought out to the light of day. It was very transparent. Even if we tried to hide it, the *Royal Gazette* and the OBA's media affiliates would not allow that to happen. So everyone knew whether Marc Bean, or Rolfe Commissiong, or Walton Brown, or Jamahl Simmons, or Renee Webb . . . everyone knew what they made. And you know what? Every cent they were paid was justified.

We can show you the value for money that the taxpayers received. Minister Fahy just the other day returned from the Caribbean at a CARICOM conference to discuss labour issues. You mean to tell me that Minister Fahy was able to go and participate in a CARICOM conference? Well, I wonder what relationship was cultivated.

[Inaudible interjections]

Hon. Marc A. R. Bean: I wonder who cultivated that relationship! I will tell you. The Honourable Opposition Leader cultivated that relationship.

[Inaudible interjection and laughter]

Hon. Marc A. R. Bean: That is the truth!

I see this selective, hypocritical, gutter-style of politics, all based around having, or suffering from, a guilty conscience. None of us on our side is suffering

from a guilty conscience for what we got paid as consultants. But, trust me, we had to work. Anyone who had to work under the former Premier Dr. Ewart Brown had to produce! Or you were gone. Okay? You can say whatever you like about Dr. Brown. The man worked 18 hours a day and he expected those who he led to give the same amount of energy and time.

An Hon. Member: Yes!

Hon. Marc A. R. Bean: Okay, Mr. Speaker?

So we are going to sit up here and pontificate in this Honourable House. Yet, I can look across the floor and see a Minister without Portfolio whose value cannot be measured. Now, that is not cronyism, it is not a consultancy, but, I mean, potato/potahto. Do you see us questioning? No, we are not. We are not going to descend into that gutter because the Premier can appoint a Minister without Portfolio—part-time at that; \$106,000 at that! Being that most of us are former Ministers—

POINT OF ORDER

[Misleading]

Hon. Patricia J. Gordon-Pamplin: Point of order, Mr. Speaker.

The Speaker: Yes?

Hon. Patricia J. Gordon-Pamplin: The Honourable Member is misleading the House.

I understand his passion, but he is misleading the House inasmuch as the Honourable Member, the Minister without Portfolio, does not earn \$106,000 for being the Minister without Portfolio. It is \$56,000 [which] is the standard salary for Members of Parliament that every Member of Parliament gets and the additional uplift for being a Minister part-time is \$50,000. It is important that that be made clear.

Thank you.

The Speaker: Carry on.

Hon. Marc A. R. Bean: Mr. Speaker, is \$50,000, \$60,000 too much? If that is the issue that they are bringing to this Honourable House when we are trying to discuss good governance, is, then, \$50,000 or \$60,000 too much? So, before we start throwing stones, we should look in the mirror, because on our side all we want to do is advance a discussion of good governance, of transparency.

Now, unless you have ill-intentions and you do not want to get called out in the future—unless that is the real motive—you are not going to get up and get defensive and start naming out who were consultants in the past! To what avail? I do not know what the purpose of that was, but to try and make it seem as Honourable—

An Hon. Member: Embarrass.

Hon. Marc A. R. Bean: —to try and embarrass, Mr. Speaker.

[Inaudible interjection]

Hon. Marc A. R. Bean: Yes. Rev me to their base, Mr. Speaker.

[Inaudible interjection]

Hon. Marc A. R. Bean: All right. Just rev me to their base.

So I am very disappointed in the Honourable Minister of Finance because Lord knows I got up here about an hour ago and we could have gone to the gutter politics discussing the previous piece of legislation—but we did not. So I wonder at what point are we going to see an increase in maturity from the Government's side, because Lord knows they have already proven they are not angels. Lord knows they already have given us enough ammo to go after them within the first six months. Lord knows they never had a honeymoon period because of ego and unwillingness actually not to listen.

Arrogance! That cancer of ignorance and arrogance—not knowing, but acting like you do know because your base told you so. At what point are they going to show some humility? Because Lord knows there are more mistakes coming down the pipeline. There are more mistakes coming down the pipeline. We know that, but yet we are trying to set a tone to assist them. But as soon as it comes to something personal that applies to or pricks their conscience, you see the snake in the grass. The wolf—

[Inaudible interjection]

Hon. Marc A. R. Bean: I mean the fangs, the venom, you see it! And the only people who are going to accept that is their base. The rest of the country finds it unacceptable.

[Inaudible interjection]

Hon. Marc A. R. Bean: So, Mr. Speaker, no problem. I expect someone to now get up and try to defend the indefensible.

[Laughter]

Hon. Marc A. R. Bean: And look who is laughing—the chief offender, the Deputy Premier.

An Hon. Member: Whoa!

[Inaudible interjection]

Hon. Marc A. R. Bean: Yes, the force behind the veil behind the throne.

An Hon. Member: Whoa! Whoa! Whoa! Whoa! Who assumes—

Hon. Marc A. R. Bean: Again, we can go there. If you want to build bunkers, I can build you an office, you know. Believe that.

[Laughter]

Hon. Marc A. R. Bean: You know that, Mr. Speaker.

An Hon. Member: Talk is cheap.

Hon. Marc A. R. Bean: Now he says my talk is cheap.

That is the type of chatter I expect from you, Deputy Leader. See he is calm on the outside, easily waffled on the inside. Right. We have already showed the weakness of other Ministers in the Government. Do not think the Deputy can escape. Yes, there is no honeymoon period being the Minister of National Security, it is just that we are mature enough not to make it a political issue.

An Hon. Member: That is right.

Hon. Marc A. R. Bean: But do not sleep. Do not think that any progress or lack of progress is going to be at his feet.

An Hon. Member: Is that a threat?

Hon. Marc A. R. Bean: It is not a threat. It is a reality. Experience is the greatest teacher, not falsehoods. So when things are good in National Security . . . it is not him. I am going to tell the public, it is not him. But when things go bad, likewise, it is not him. Hmmm. Yes. All the Minister of National Security is is an administrator of Government funds. Believe that. Sitting around the Cabinet table, we know for a fact. Right? So all that imagery does not make any difference to us.

An Hon. Member: What happened to the motion?

Hon. Marc A. R. Bean: What happened to the motion? You watered it down.

[Inaudible interjections]

Hon. Marc A. R. Bean: Ask the Minister of Finance, What happened to the motion?

Why do they not want to discuss bringing consultancy contracts over \$50,000 to this Honoura-

ble Chamber? I mean, the norm is that if it gets discussed around the Cabinet table . . . that is the norm. So now we are saying, *Okay, we agree with you. Let's take it to the next level and put transparency around it.* But yet we see nothing but resistance two weeks in a row! Boy, I tell you, the falsehood does not escape me. Eventually it is not going to escape the public and sooner than later it is going to catch up to the One Bermuda Alliance.

[Inaudible interjection]

Hon. Marc A. R. Bean: It is going to catch up.
Thank you, Mr. Speaker.

The Speaker: All right, thank you, Honourable Leader.

The Chair now recognises the Honourable [and] Learned Member from constituency 31, Southampton West Central—

Hon. Shawn G. Crockwell: Your neighbour.

The Speaker: Minister of Tourism.

Yes, my neighbour, right, next door neighbour.

Hon. Shawn G. Crockwell: Yes, thank you, Mr. Speaker.

[Inaudible interjection and laughter]

Hon. Shawn G. Crockwell: Let me just say from the beginning that the Honourable Minister of Finance never cast aspersions and I never heard the Honourable Minister of Finance ever question whether or not the consultancy contracts that were awarded by the Government—

[Inaudible interjections]

[Gavel]

The Speaker: Come on, Members.

Hon. Shawn G. Crockwell: I try to give my colleagues respect when they speak, Mr. Speaker.

But at no time did I hear anyone say that individuals who had contracts with the Government did not do their job. At no time. At no time.

[Inaudible interjections]

Hon. Shawn G. Crockwell: And I will get to that. But I just want to be clear, Mr. Speaker, that the Minister of Finance simply stated that certain contracts were granted, and at no time during the administration of the previous Government was there a suggestion that

those contracts be approved by Parliament. That was it.

Now, when the Opposition Leader—

[Inaudible interjections]

Hon. Shawn G. Crockwell: Well, presented.

And the Opposition Leader got up extremely emotional about it, and was talking about how, you know, defending this and defending that. At no time—the public needs to know—did the Finance Minister suggest that it was not value for money. At no time did he say the work did not get done. I am sure the Honourable Opposition Leader worked hard because I know that he worked under a hard-working Premier. So, let us just be clear, people just assume it was aspersions and that was their assumption.

On the issue of the Minister without Portfolio, I am very surprised, I am very surprised the Opposition Leader went there because there have been a plethora of Ministers without Portfolio in this House.

[Inaudible interjections]

Hon. Shawn G. Crockwell: And let me say to my colleague, Minister Leah Scott, who has served for me, who has been an acting Minister for me . . . she has done an outstanding job. She has done an outstanding job. So to suggest that her post is not providing value for this Government is incorrect.

But I want to deal with the motion. Let us get back to the motion. The motion is that this Honourable House believes that as a measure of good governance—

[Gavel]

The Speaker: Members!

Hon. Shawn G. Crockwell: The motion before the House, Mr. Speaker, is that Honourable House believes that as measure of good governance all consultancy contracts over and above \$50,000 may be laid before Parliament within 30 days of the signing . . . and then there are exemptions that have been listed.

[Inaudible interjections]

Hon. Shawn G. Crockwell: Now, Mr. Speaker, when I saw this, my initial reaction was that it would create a great deal of bureaucracy for this Honourable House, because you can imagine with the budget that this Government operates under we, as a Government, approve many contracts of this value. Now, the contracts we are talking about right now are \$50,000 and it has been prescribed to consultancies. Okay? Not services and the likes, so that would narrow it a bit.

But I looked at Parliaments in the Caribbean, the UK Overseas Territories, Africa . . . I researched institutions such as the Commonwealth Secretariat,

Commonwealth Parliamentary Association, and CARICOM. The Honourable Opposition Leader would know that there are no examples at all where Parliaments will be notified about—

[Inaudible interjection]

Hon. Shawn G. Crockwell: I did not say Canada.

Okay, I just listed . . . the jurisdictions I listed. Okay? These things are not happening in Parliaments. They do not happen in the UK Overseas Territories where Parliaments are being notified about individual contracts into which Government—and this is what is important—had already entered. Government has already entered into these contracts. They are binding. So coming to Parliament really is, as they are talking today, an exercise of transparency—not for approval—as an exercise of transparency. But there is nothing at all that the Parliament can do whether it likes it or not, to deal with that particular agreement.

What I find interesting, based on the dialogue right now, is that we are concerned about the actual or perceived casting of aspersions on particular award-ees. This would give almost . . . it would open up the door for that because there is no real value because the contract is in place and there is nothing that the Parliament would be able to do about it. But if someone in this House does not like a particular person who received a contract, under Parliamentary privilege they can then malign that individual. That would be the opportunity. That could happen. It has happened right here today. It has been felt that individuals on the other side had aspersions cast against them because of the fact that the contract was just stated.

An Hon. Member: The context.

Hon. Shawn G. Crockwell: The Finance Minister never said that it was a bad arrangement. [He] never said that we did not get value for money.

[Inaudible interjection]

Hon. Shawn G. Crockwell: But to just come here week in and week out and discuss consultancy contracts I think would open the door for these types of situations.

[Inaudible interjections]

Hon. Shawn G. Crockwell: What I did find, Mr. Speaker, made me conclude that when we talk about global best practices regarding the issuance of Government contracts and the like is that in order to achieve what we are talking about today we need to have a system that will provide a robust and transparent procurement system. What are we trying to achieve?

If you do not mind, Mr. Speaker, I would like to read from the “Guidelines for Public Financial Management Reform” coming out of the Commonwealth Secretariat. The philosophies and policies concerning contracts seem to be focused on the following: That minorities get contracts; that there are no barriers to small- and medium-sized business participation in government contracts, and that there are no improper inducements or incentives at play in the award of public contracts.

We in this Parliament should be proud of the fact that Bermuda already meets all of those conditions. Already [meets them]. And I am not averse . . . I know people think I get up here . . . and the Opposition Leader is saying that I like to be dramatic—

[Inaudible interjection and laughter]

Hon. Shawn G. Crockwell: —but I know when to give credit where credit is due because the system that we have in place right now to have an environment of a robust and transparent procurement system came from the PLP Government. And it started immediately in 1998 under the Jennifer Smith Government. It was under the Smith Government that they mandated that all Government contracts of the value of \$50,000 must be approved by the Cabinet.

And the reason for that, Mr. Speaker, was because it was a new Government. There was 30 years of a certain culture, and if you allowed civil servants and technical officers the power to grant those small- and medium-size contracts there was a fear that those contracts would still go to the same players. So the new Government said, *No, we have to change that. We have to shift the culture. We are going to take control*, despite the fact that they were dealing with, at that time, about half . . . about \$500 million worth of expenditure. They took on the task of approving all Government contracts worth \$50,000 and above. That was a significant change, a significant shift.

[Inaudible interjection]

Hon. Shawn G. Crockwell: Now, Mr. Speaker, we know that over the years . . . and the general public sometimes can be inherently suspicious about things. And there were conversations about whether or not there was a “friends and family plan” and all of that type of stuff—who is getting what. And under Dr. Ewart Brown, the former Premier, he came up with another watershed policy shift. He announced that as of 1 April 2009, all contracts awarded by Government would appear in the *Official Gazette*. That became a policy of the Government—whether or not it dealt with the rumours is irrelevant. It was good policy.

Mr. Speaker, I fundamentally believe that what the people of this country want to know . . . they want to know the information. They want to know who was awarded the contract; maybe some of the terms

of the contract. If those pieces of information were provided to the public you have full transparency. In fact, I actually have a copy of the statement that was made by Dr. Brown at the time, and I will read it. [Premier Brown said](#): “In addition to providing the people of Bermuda with greater openness and transparency in their Government, we are also protecting hard working contractors from people who sully reputable businesses in an effort to harm the Government politically. We have seen it too often; it is not fair to our country's entrepreneurs.”

So it was protecting the recipient, it was protecting the Government.

I have spoken to the Premier and I do not believe that we have extended that policy. I said that maybe we should consider extending the policy of putting in the *Official Gazette*, all contracts awarded by Cabinet, and this way you achieve the goal of transparency. There would be no need for us to embrace what is being suggested today because my challenge is this—I do not see the benefit. If we table the contract in Parliament after it has been signed and produced, if the Opposition has a major concern about a consultant, the Government would not be able to change it, because we would be in breach. If we like it, then we are just going to come and say, *We like it*. So at the end of the day, I see this as becoming not only an exercise in futility, it will clog up Parliament.

[Inaudible interjections and crosstalk]

Hon. Shawn G. Crockwell: It will clog up Parliament, because of the volume we will be dealing with. It is possible we will be dealing with this unnecessarily.

Whether or not we agree on that, I think that we achieve the transparency by, as the Honourable Opposition Leader just said, making every contract public. If we make a commitment that every contract with a value of \$50,000 and over, approved by the Cabinet, is gazetted in the *Official Gazette* with the necessary details, the country would know. You would have full transparency and there will be no need to add to the workload of this Honourable House. I think we can do it, Mr. Speaker, and I do not think that this particular motion is required.

Thank you.

The Speaker: Thank you, Honourable Member.

Is there any other Member [who] would care to speak?

Nobody is speaking so we actually have to vote on this because the motion is:

“That this Honourable House believes that as a measure of good governance, all consultancy contracts over and above \$50,000 may be laid before Parliament within 30 days of the signing with exemptions for contracts directly dealing with national security, defence, investigations and pro-

ceedings, law enforcements, court records and audit functions.

[Inaudible interjection]

The Speaker: All those in—Yes. I just finished reading, yes, yes.

All those in favour of this motion, please, say Aye. Those against, say Nay.

AYES.

The Speaker: The Ayes have it. So the motion is passed.

[Motion carried, as amended: All consultancy contracts over and above \$50,000 may be laid before Parliament within 30 days of signing with exemptions for contracts directly dealing with national security, defence, investigations and proceedings, law enforcements, court records and audit functions]

The Speaker: The next matter . . . that is it.

I have to recognise the Honourable Finance Minister—

An Hon. Member: Third Reading.

The Speaker: Third Reading.

Yes, I see.

In fact, go ahead. Go ahead, Minister.

SUSPENSION OF STANDING ORDER 21

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

I move that Standing Order 21 be suspended to enable me to move that the Bill entitled the Public Service Superannuation Amendment Act (No. 2) . . . is that right?

No.

The Public Service Superannuation Amendment Act 2013 be now read a third time by its title only.

The Speaker: Are there any objections?

There are none.

Carry on.

[Motion carried: Standing Order 21 suspended.]

THIRD READING

PUBLIC SERVICE SUPERANNUATION AMENDMENT ACT 2013

Hon. E. T. (Bob) Richards: I move that the Bill do now pass.

The Speaker: Any objections to that?

The Bill has now passed.

[Motion carried: The Public Service Superannuation Act 2013 was read a third time and passed.]

The Speaker: I recognise the Honourable Minister for Economic Development.

Minister Dr. Grant Gibbons, you have the floor.

SUSPENSION OF STANDING ORDER 21

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker.

I move that Standing Order 21 be suspended to enable me to move the Bill entitled the Mortgaging of Aircraft and Aircraft Engines Amendment Act 2013 be now read for the third time by its title only.

The Speaker: Any objections?
Carry on, Minister.

[Motion carried: Standing Order 21 suspended.]

THIRD READING

MORTGAGING OF AIRCRAFT AND AIRCRAFT ENGINES AMENDMENT ACT 2013

Dr. the Hon. E. Grant Gibbons: I move that the Bill do now pass.

The Speaker: Any objections to that?
The Bill has passed.

[Motion carried: The Mortgaging of Aircraft and Aircraft Engines Amendment Act 2013 was read a third time and passed.]

Dr. the Hon. E. Grant Gibbons: I have another one, Mr. Speaker.

The Speaker: Right, you have Government loans.
Carry on, Minister.

Dr. the Hon. E. Grant Gibbons: Actually no, it's—

SUSPENSION OF STANDING ORDER 14

Dr. the Hon. E. Grant Gibbons: Mr. Speaker, I move that Standing Order 14 be suspended to allow me to present a communication to the House.

The Speaker: Carry on.

[Motion carried: Standing Order 14 suspended.]

PAPERS AND OTHER COMMUNICATIONS TO THE HOUSE

BERMUDA EDUCATORS COUNCIL AMENDMENT ORDER 2013

Dr. the Hon. E. Grant Gibbons: Mr. Speaker, I have the honour to attach and submit to the Honourable House of Assembly a draft order entitled the Bermuda Educators Council Amendment Order 2013. And the note here says electronic copies will be submitted to Members.

The Speaker: Right. Thank you.
Any objections to that?
There are none.
Minister of Finance—

SUSPENSION OF STANDING ORDER 21

Hon. E. T. (Bob) Richards: Mr. Speaker, I move that Standing Order 21 be suspended to enable me to move that the Bill entitled the Government Loans Amendment (No. 2) Act 2013 now be read a third time by its title only.

The Speaker: Are there any objections?
Carry on, Minister.

[Motion carried: Standing Order 21 suspended.]

THIRD READING

GOVERNMENT LOANS AMENDMENT (NO. 2) ACT 2013

Hon. E. T. (Bob) Richards: I move that the Bill do now pass.

The Speaker: Any objections?
The Bill has passed.

[Motion carried: The Government Loans Amendment (No. 2) Act 2013 was read a third time and passed.]

The Speaker: Premier?

ADJOURNMENT

Hon. L. Craig Cannonier: Thank you, Mr. Speaker.
I move now that we adjourn until the 12th of July, 10:00 am.

The Speaker: July 12th.
The Chair now recognises the Minister for Tourism Development and Transport. The Honourable and Learned Member, Shawn Crockwell.
You have the floor.

KING EDWARD MEMORIAL HOSPITAL

Hon. Shawn G. Crockwell: Thank you, Mr. Speaker.

Just very briefly, I just want to let the House of Assembly know, and let the country know, that over the past two weeks I had to receive a medical procedure, Mr. Speaker, which meant that I spend a little time at the King Edward Memorial Hospital.

Let me just say from the outset that it went well and I have been given a clean bill of health. But, Mr. Speaker, my experience there at King Edward was absolutely stupendous. It is interesting because I was listening to the proceedings last week Friday and I recall that the Honourable Member, Mr. Bascome, got up during Congratulatory Remarks and stated—because he was there at the same time, he did not come and visit me, but, you know, Kenny Bascome cannot be anywhere without being heard.

[Inaudible interjections and laughter]

Hon. Shawn G. Crockwell: And I heard him on the floor. But he also lauded the service that he received whilst he was there. We were both on Cooper Ward.

Let me say, Mr. Speaker, that the quality of care I received from the nurses there was absolutely quintessential. Absolutely outstanding. I was blown away! I am talking about Bermudian nurses, Jamaican nurses, Filipino nurses—

[Inaudible interjections and crosstalk]

Hon. Shawn G. Crockwell: The Honourable Opposition Leader knows, they were not bad looking as well, Mr. Speaker.

[Inaudible interjections and crosstalk]

Hon. Shawn G. Crockwell: But, Mr. Speaker, every one of them provided me with extraordinary care.

[Inaudible interjections and crosstalk]

Hon. Shawn G. Crockwell: I was saying to myself, *I'm a Cabinet Minister, is it because I am a Cabinet Minister?* I was observing, I was watching—they were providing the same high level of care to all of the patients there. I say this for the edification of the Health Minister because too often our hospital gets a bad rap. Too often people talk about, *Don't go to King Edward Memorial Hospital.* And I am going to tell you that they were all fantastic.

I want to thank them publicly for their care because it is a specialised field—it is like hospitality. Not everybody can do that. You have to have a certain bedside manner because sometimes you are being awakened early in the morning for care and you are

grumpy and they take it and provide the care that they are supposed to provide.

They were fantastic—I did not want to highlight anyone but I have to mention—

Some Hon. Members: Whoa!

Hon. Shawn G. Crockwell: I have to mention nurse Spooner.

Some Hon. Members: Ooh!

Hon. Shawn G. Crockwell: I do not know if people know nurse Spooner, but nurse Spooner was just wonderful. She always had a little spiritual quote for me in the morning and they were wonderful. So I would like to thank them all on the ward.

But there is something else I want to mention.

[Crosstalk]

Hon. Shawn G. Crockwell: We have in this country . . . and I think it is very important that the Members listen to this, this is very important.

The Speaker: Members, Members, let us have your attention, please.

Hon. Shawn G. Crockwell: We have in this country an extraordinary specialist that has moved here, I believe, in the last year. I had the pleasure of meeting him three years ago. His name is Dr. Boris Vestweber and he specialises in laparoscopic techniques. Surgeries that would require an actual full opening if you do not have this very specialised area to go into difficult areas and use laparoscopic surgery to make the recovery much better, and make the overall process . . . and this gentleman is actually here in Bermuda, has moved to Bermuda.

He is so sought after, Mr. Speaker. He was telling me just this morning that he has a patient coming from Monaco who wants to have a particular procedure done, wants to have it done laparoscopically and this is one of the few surgeons in the world that can do it. We have that here in Bermuda! I think that that is extraordinary. This was the doctor who provided the procedure for me and did a fantastic job. I feel like I could go play a basketball game right now, Mr. Speaker.

I want people to know—

[Inaudible interjections and crosstalk]

The Speaker: He can play against me. He will win!

[Laughter]

Hon. Shawn G. Crockwell: I want people to know that we have quality health care in Bermuda.

In November, I will be going to a medical tourism conference, along with the Health Minister, because I believe that there is an opportunity in Bermuda to explore medical tourism. We have a beautiful destination here for convalescence. I believe that with the new hospital wing coming on line, clearly, our infrastructure is going to get far better. But we already have the quality care and with top doctors, like Dr. Boris Vestweber, deciding to come and live in Bermuda. We need to highlight that so that the people in this country know that they have good quality health care here and the people around the world can know they can come to Bermuda for quality health care.

Thank you, Mr. Speaker.

The Speaker: Thank you.

[Crosstalk]

[Gavel]

The Speaker: You are all like you do not want to go home!

[Laughter]

[Gavel]

The Speaker: The House is adjourned to Friday, July 12, 2013.

Members! Remember, you stay still until the Speaker leaves. Careful!

[Laughter and crosstalk]

[At 6:34 pm, the House stood adjourned until 10:00 am, Friday, 12 July 2013.]