

BELIZE

No. 5/1/13

SENATE

Tuesday, 29th March 2016

10:00 A.M.

Pursuant to the direction of Mr. President, in writing, dated 23rd March 2016, the Senate met in the National Assembly Chamber in Belmopan on Tuesday, 29th March 2016, at 10:00 A.M.

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Members Present:

Senator, the Honourable Lee Mark Chang – President
Senator, the Honourable Godwin Hulse – Leader of Government Business
and Minister of Natural Resources and Immigration
Senator, the Honourable Dr. Carla Barnett – Vice-President
Senator, the Honourable Francine Burns
Senator, the Honourable Macario Coy Sr.
Senator, the Honourable Stephen Duncan
Senator, the Honourable Aldo Salazar
Senator, the Honourable Eamon Courtenay
Senator, the Honourable Valerie Woods
Senator, the Honourable Paul Thompson
Senator, the Honourable Markhelm Lizarraga
Senator, the Honourable Rev. Ashley Rocke
Senator, the Honourable Elena Smith

MR. PRESIDENT *in the Chair.*

PRAYERS *by Senator the Honourable Rev. A. Rocke.*

OATH OF ALLEGIANCE OF A NEW SENATOR

MR. PRESIDENT: Mr. Clerk, can you please kindly administer the Oath of Allegiance to the new Senator.

SENATOR E. COURTENAY: I, Eamon Courtenay, do swear that I will bear true faith and allegiance to Belize and will uphold the Constitution and the law, and that I will conscientiously, impartially and to the best of my ability discharge my duties as a Senator and do right to all manner of people without fear or favour, affection or ill-will. So help me, God.

MR. PRESIDENT: Good morning to all. (Applause)

SENATOR E. COURTENAY: Although I am not a new Senator.

MR. PRESIDENT: You are a Senator again today. So congratulations, Senator Courtenay, and welcome to our Sitting today. And I do believe that we all look forward to constructive debates moving forward.

ANNOUNCEMENT BY THE PRESIDENT

MR. PRESIDENT: Honourable Members, by letter dated 23rd March 2016, Cabinet's recommendation has been signified to the following:

1. General Revenue Appropriation (2016/2017) Bill, 2016;
2. Customs and Excise Duties (Amendment) Bill, 2016;
3. Brewery (Amendment) Bill, 2016;
4. Official Charities Fund Motion, 2016;

BILLS BROUGHT FROM THE HOUSE OF REPRESENTATIVES

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, before I introduce the Bills, allow me to once again welcome, as he said, back to the Senate, the Honourable Eamon Courtenay, my colleague. I served with him during the term 2003 to 2008, when I represented the business community at that time and he represented the Government of the day, and we had excellent interactions. Welcome back to the Honourable Senator! Thank you.

Mr. President, I rise to take charge of the following Bills:

1. General Revenue Appropriation (2016/2017) Bill, 2016;
2. Customs and Excise Duties (Amendment) Bill, 2016;
3. Brewery (Amendment) Bill, 2016;
4. Belizean Nationality (Amendment) Bill, 2016;
5. Immigration (Amendment) Bill, 2016;
6. Passports (Amendment) Bill, 2016;
7. Refugees (Amendment) Bill, 2016; and
8. Caribbean Community (Free Movement of Skilled Persons) (Amendment) Bill, 2016.

Mr. President, in accordance with Standing Order No. 49 (1), I move that the Bills be taken through all their stages forthwith.

MR. PRESIDENT: Honourable Members, the question is that the Bills be taken through all their stages forthwith.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

PAPERS

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to lay on the Table Sessional Papers:

- 4/1/13 - Draft Estimates of Revenue and Expenditure for Fiscal Year 2016/2017;
- 5/1/13 - Customs and Excise Duties (Amendment of First Schedule) Order, 2015;
- 6/1/13 - Customs and Excise Duties (Amendment of First Schedule) (No.2) Order, 2015;
- 7/1/13 - Customs and Excise Duties (Amendment of First Schedule) Order, 2016; and
- 8/1/13 - The Fifteenth Annual Report of the Ombudsman of Belize for the Year ending 2015.

MR. PRESIDENT: Honourable Members, those Papers are ordered to lie on the Table.

REQUEST FOR LEAVE TO MOVE THE ADJOURNMENT OF THE SENATE ON DEFINITE MATTERS OF URGENT PUBLIC IMPORTANCE

MR. PRESIDENT: Senator Macario, I think you requested to make a statement of public interest. Please proceed.

SENATOR M. COY SR.: Good morning, Mr. President. First of all, before I begin with the public's interest, I would like to acknowledge the coming of the colleagues on the other side. I never had the opportunity to say congratulations to them at the previous meeting we had. So I want to, of course, applaud them today for having among us, Senator Eamon Courtenay, Senator Valerie Woods, and Senator Paul Thompson, a very good friend of mine within the sporting programme. So I want to congratulate them and, of course, to say welcome back to this Honourable Chamber this morning.

Mr. President, please allow me to make my presentation of that urgent public interest. Mr. President, you can see that Belize is one of the most blessed countries in this entire universe, and it is diverse with many cultures, cultures of up to about 12 ethnicities, the two biggest cultures being that of the Garifuna and the Mayans, Mr. President. The shocking video of Pastor Stirm had obviously seemed to be an attack made by him to the Garifuna culture, Mr. President. I stand or I should say that the Mayans stand shoulder to shoulder with the Garifuna culture. What a shame on a man, Mr. President, who claims to be a Pastor and criticizes the richer of one of the diverse cultures which is the Garifuna culture, Mr. President.

The Garifuna like the Mayans are two cultures who believe in their great ancestors. And this is an example of one that I attended in Aguacate Village during this Easter holiday, Mr. President, where the Mayan elders and leaders of churches get together to make sacrifices to the creator for the sun and rain to shine and rise over their plants for this upcoming year, Mr. President.

I also grew up as well, Mr. President, with the diverse and unique culture of the Garifuna. I grew up with the Cayetano's family in Barranco Village, Mr. President. So I am diverse with the lives and the culture of that of my Garinagu brothers and sisters and the Senators representing the Garifuna in the south where the culture capital is located, Mr. President.

I hold no apology, Mr. President, on the Pastor, to make and write an urgent apology letter to the Garifuna culture as soon as possible, since it has raised many eyebrows over the social media and the world on this diverse Belizean culture. We cannot and should not criticize any culture in Belize, Mr. President, because culture is who we are and how we will move towards building this nation.

You see, Mr. President, I love my Watina music and the rhythms of the Garifuna drums from the Garifuna culture and also the beat of the Marimba, harp and drums of the Mayan culture. Long live the Mayan culture, long live the Garifuna culture, Mr. President, and all the other cultures in this country, including the Chinese culture like yours, Mr. President, which is unique.

So, Mr. President, we should not allow any criticism to this diverse culture in this country. If a man cannot live in Belize, Mr. President, if he cannot live here then there is obviously another planet where somebody can live. But don't let us be the first one to hold the stone and throw it around our brothers. Mr. President, I can continue on and on, but the urgent of this matter is for the Pastor to make that apology to the Garifuna culture and to Garifuna people urgently, Mr. President. Thank you, Mr. President. (Applause)

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE SENATE

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I move that at its rising

today the Senate adjourn to a date to be fixed by the President.

MR. PRESIDENT: Honourable Members, the question is that, at its rising today, the Senate adjourn to a date to be fixed by the President.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

PUBLIC BUSINESS

A. GOVERNMENT BUSINESS

I MOTIONS

1. Official Charities Fund Motion, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I move that- **BE IT RESOLVED** that this House approves the expenditure of \$2,352,589 from the Official Charities Fund as detailed in Appendix A of the Draft Estimates of Revenue and Expenditure for the year ending 31st March 2017.

That can be found on page 201 of the budget book. Thank you.

MR. PRESIDENT: Honourable Members, the question is, **BE IT RESOLVED** that this House approves the expenditure of \$2,352,589 from the Official Charities Fund as detailed in Appendix A of the Draft Estimates of Revenue and Expenditure for the year ending 31st March 2017.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

2. Resolution Authorizing the Ratification by Belize of the Paris Agreement Motion, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I move that- **WHEREAS**, the Paris Agreement (hereafter called “the Agreement”) was adopted on 12th of December 2015;

AND WHEREAS, this Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by:

- a) Holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels,

recognizing that this would significantly reduce the risks and impacts of climate change;

- b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production;
- c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development;

AND WHEREAS, nationally determined contributions to the global response to climate change, all Parties are to undertake and communicate ambitious efforts as defined in Articles 4, 7, 9, 10, 11 and 13 with the view to achieving the purpose of this Agreement as set out in Article 2; The efforts of all Parties will represent a progression over time, while recognizing the need to support developing country Parties for the effective implementation of this Agreement;

AND WHEREAS, the Government of Belize is desirous of ratifying the Agreement pursuant to Article 20(1) of the Agreement;

AND WHEREAS, section 61(A)(2)(a) of the Belize Constitution as amended by the Belize Constitution (Sixth Amendment) Act (No. 13 of 2008) provides that the Senate shall authorize the ratification to any agreement by the Government of Belize;

NOW, THEREFORE, BE IT RESOLVED that the Senate authorizes the Government of Belize to ratify the Agreement, a full text of which is hereto annexed.

MR. PRESIDENT: Honourable Members, that Motion is referred to the Constitution and Foreign Affairs Committee for examination, consideration and report.

II BILLS FOR SECOND READING

1. General Revenue Appropriation (2016/2017) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to move the

second reading of a Bill for an Act to appropriate certain sums of money for the use of the Public Service of Belize for the financial year ending March 31, 2017.

SENATOR M. LIZARRAGA: You frighten me, Mr. President.

MR. PRESIDENT: Oh! Sorry.

SENATOR M. LIZARRAGA: Thank you, Mr. President. Mr. President, with your permission, I'd like to refer to my notes. And I would like to take this opportunity as well to welcome my colleagues from the Opposition and the Senator for the unions. I was concerned as to whether we would have representation from the unions today.

Mr. President, this budget called "Stability in a Time of Change" is our third attempt, I believe, at programme budgeting. As we know, Mr. President, what programme budgeting seeks to do is to give accountability, is to give transparency to the owners of these funds, us the people, and to the managers of these funds as well. It sets targets and objectives for them, and it guides them as to how best they are going to spend our monies, to deliver what it is that they claim they will deliver in a given budget year, and also forecasting for the next 2 or 3 budget cycles. Mr. President, there is something, if you look at programme budgeting, called programme performance information, and what this seeks to do is to identify key performance indicators or KPI strategies for the current year and align them with the achievements for that year, what it is that we sought to do with this money, and what it is that we have achieved, what it is that we did. There is also something called key programme strategies, and these are aimed at looking at the strategies and activities aimed at improving performance for the coming budget year. We have as well KPI output indicators which should measure what has or will be produced or delivered by a programme. As well we have outcome indicators that measure the plan or achieved outcome or impacts of a specific programme and the effectiveness of such a programme.

I have taken the time, Mr. President, because over the last 2 budget years I've made comments as to the deficiencies and as to the lack of compliance by many of our Ministries in regards to the following: the format, the path that we have decided we are going to go in budgeting. And I've taken the liberty of formulating a scorecard, one which I am happy to share with any of my colleagues, if they have an interest. And I award grades, and the grades I award are three, very simple, either you are compliant, you are partially compliant, or you are non-compliant. I'd like to take this opportunity to start by congratulating the Honourable Leader of Government Business, the Honourable Godwin Hulse, for leading the only Ministry totally compliant in regards to filling out at least the appropriate sections in the programme budgeting format style. I am not going to say that I agree with all their targets. I am not going to dwell on whether the bar is too low or too high, but for the purposes of this exercise I want to focus on just those Ministries that have been either compliant, partially compliant or non-compliant.

So I begin by saying, congratulations to the Ministry of Natural Resources and Immigration for complying fully with the spirit of this programme budgeting exercise. I would also like to highlight that the Ministry of Tourism and Civil Aviation, but for one item they failed to identify their KPI targets for financial year 2016/2017, would have been fully compliant as well. I would like to highlight additionally, the Ministry of Labour, Local Government and Rural Development for almost being fully compliant, and I would have given them full compliance if they would have included their output KPIs in the Ministry of Local Government. There was one section that was partially compliant in the output section. I would also like to highlight that there are inconsistencies in certain Ministries. For example, in the Judiciary, the Registry and the Court of Appeal were fully compliant. They stated their objectives, and they reported on those objectives. But the Supreme Court was mostly non-compliant. The Company Registry and the Magistrate Court were partially compliant. I would like to highlight, as well, that for the Legislature, National Assembly, and you can follow this. This is on page 30 of the budget. The National Assembly was compliant, but the Integrity Commission and the Ombudsman's Office were only partially compliant, and the Contractor General's Office was for the most part non-compliant. The Ministry of Health as well, while, again, I believe that the bar perhaps was set a bit low, but the Ministry of Health was mostly compliant. But, if you look at Foreign Affairs, they were mostly non-complaint. If you look at the Ministry of Education, Youth, Sports and Culture, Mr. President, now remember, this is the Ministry that consumes a huge portion of our budget. These are the educators in our country. Yet, they were deficient or non-compliant in setting their targets and in reporting on their achievements in the strategic management and administration department, in the pre-primary and primary school, education department, in the secondary education, in tertiary education, National Library Services, Youth Support Services, sports development and NICH.

I'd like to highlight the Ministry of National Security who was for the most part non-compliant in stating what the output or the outcomes were for their KPIs. This is extremely important, Mr. President, because this Ministry hires 3,679 people, and, if you have 3,679 people in your Ministry, you would want to guide them. You would want them to know, and the same goes to all the Ministries, but you would want them to know what it is that you expect of them when they spend the people's money. You would want to have targets. You would want to see if those targets were met and you would certainly want an explanation as to why they were not met.

But perhaps the most concerning, and here, with your permission, I'll begin to delve a little bit into the budget book itself. Perhaps the most concerning, Mr. President, is the Offices of the Prime Minister and the Cabinet and the Ministry of Finance. And of all the departments under this Ministry there were only a few that were partially compliant. This was the fiscal policy and budget management. Imagine, the people in budget management, are the owners of this process, and they were not fully compliant. So how can you expect others to be compliant when the owners of this process were not compliant themselves? This is a Ministry that spends \$322 million. They are responsible for \$322 million of our money, and, if you look at strategic management and administration, it was

totally non-compliant. They will spend \$65 million. They are not telling us how they plan to spend the money, what it is that they want to achieve, and what it is that they are going to deliver. Treasury and accounting services were totally non-compliant, again, no targets, no deliverables. They cannot quantify what it is that they have done and what it is that they seek to achieve.

Customs and Excise revenue was totally non-compliant. There is an item here, Administered Items, for \$196 million. There is no indication of what it is that they plan to achieve with that and what it is that we can measure from that spending. Human Resource Development and Training was \$2 million and no targets, no KPIs, no programme performance information. Public service strategic management and administration was totally non-compliant. These are the people who should set direction. These are the people that should guide the public service as to how it is we go about managing and administering our monies, and they have no targets. They are not able to verbalize or put in writing what it is that they are all about, what it is that they are going to do, what it is that they are tasked to do, and how do we hold them accountable. The Public Service Commission was totally non-compliant. The Human Resources Management Information System was totally non-compliant, no targets. This is under the Ministry of Finance. These are the people that are responsible for the spending, for the caretaking, for the accounting of our public monies. And they cannot tell us what it is that they are going to do with our monies.

The Offices of the Prime Minister and Cabinet, strategic management and administration, they were totally non-compliant. They didn't even bother to fill in what it is that they intend to achieve with this \$1 billion or more we are giving them every year. How do we hold Cabinet responsible? Restore Belize, Social Assistance Programme, \$472,000, they don't even tell us how they are going to spend it and what they are going to do with it, what it is they plan to achieve with that. Government Information Services, it was totally non-compliant, no targets, no objectives, no history of what has been delivered. Private Sector Investment, a whopping \$122,000 was allocated for Private Sector Investment, but we don't know how that is going to be spent. We don't know what is going to be achieved. It is a shame that if we are going to be the true engines of growth in this economy that \$122,000 out of a billion point whatever has been assigned to private sector investment. And the Belize Broadcasting Authority as well, it was totally non-compliant. So there was not one iota of compliance under the Offices of the Prime Minister and Cabinet, page 39 of the budget, not one. These are the owners, these are the people responsible for our public monies. They should be able to at least tell us how they plan to spend it, what they plan to spend it on.

Mr. President, stability, yes, it is the same like last year, stable, non-compliance, very stable in that regard, very stable in the sense that our debt continues to rise, our debt as our percentage of GDP continues to rise. It is now somewhere around 80%. That's of the declared debt because we know we have a whole host of contingent liabilities that we don't know what those sums are.

There is no mention of cost savings. Remember the cost savings reports, there was no mention of that. Leader of Government Business, if we recall the cost savings report, your Ministry has some huge debts, potentially to the tune of almost half a billion dollars. I hope you can get that sorted out.

Today, Mr. President, this budget consumes almost 35% of our GDP every year, 35%. In other words, for all the goods and services that our country produces in a given year, Government consumes 35% or 35 cents out of every dollar for its operations. Yet, they don't tell us for the most part how it is that they are going to spend it and how it is that we hold them accountable. We hear of probity. This is a budget of probity. Well, probity implies strong moral principles and honesty and decency, but I can't say I am honest. I need to be able to prove it. For us to have probity you would want to substantiate it with accountability and transparency. Yet, those mechanisms that we have in our laws to give us this accountability, to guarantee accountability and transparency are nonfunctioning for the most part, and there is no mention of how we activate those.

We hear that we are getting value for money in our budget. But how can we confirm this? Certainly it is not by looking at the budget itself because we don't know what we've gotten. We don't know what targets have been achieved. So how can we guarantee, how can we confirm, and how can we validate that we are getting value for money? We can't. We hear that this is a budget filled with social works, but if you look at the amount of money spent on social support and community assistance it was only 9.2% of the Petrocaribe borrowings, 0.5% to the assistance to floods and 0.7% for housing.

And while we are on housing, I'd like to call your attention to the Housing and Urban Development Ministry on page 177 of the budget which as well did not bother to take the time to fill in its programme performance information, to fill in the key programme strategies and activities for 2016/2017, to fill in the output indicators or the outcome indicators, totally non-compliant, again. And here we have a Ministry that is going to cost us in recurrent expenses \$1,837,000 million and to oversee \$356,000 in programme funds. I don't know how or where that kind of spending makes sense. How can you justify spending \$1.8 million in administration of \$300,000 in programme funds? It is claimed that GDP growth will moderate to between 1.5% to 2% in 2016. But, if we look at the graph on page 15 of the budget presentation, we will see, Mr. President, that projected for the next few years 2016/2017 in this graph the numbers show that the budget is proposing or the budget states we will have growth of 4.6% in 2016/2017, 3.5% in 2017/2018, and 3.5% in 2018/2019. But the budget does not tell us how it intends to stimulate that growth. As a matter of fact, I think, one of the few Ministries that talks about interaction with the private sector is the Ministry of Agriculture that was mostly compliant and spoke about some programs working with the private sector.

But look at the Ministry of Economic Development on page 174 of the budget. They have a budget at \$25 million, but yet there is no mention in any of these targets, first of all, they are totally, under the Economic Development portion of this, they are totally non-compliant with programme performance information, with strategies and activities and their key performance indicators as it relates to the output indicators and the outcome indicators, totally non-compliant. But even so there is no mention of attracting Belizean investment or growth or entrepreneurship. So why are we spending this \$25 million on that just one little subhead? Yet they claim, if you look at their programme objectives in the heading, I'll read it for you, "To assume leadership role in formulating and recommending national development policies, strategies and programs, to promote macroeconomic stability, sustainable socio-economic development and the reduction of poverty". But there is no mention of how they plan to reduce poverty. How is this money going to be used to reduce poverty? How are we going to measure it? How much is poverty going to be reduced? It is somewhere north of 40%, probably heading closer to 50% now. When will we see it at 35% or 30%? There is no indication, absolutely none. And if you look, remember what their programme objective was, to reduce poverty, but if you look under growth and poverty reduction strategy no money was spent this year 2015/2016, last budget year, no money will be spent 2016/2017, no money allocated for 2017/2018, and no money allocated for 2018/2019 for growth and poverty reduction strategy. Yet that is their programme objective. The full objective of this \$25 million should be that according to the programme objective. Yet there were no monies, absolutely none, and when they did allocated monies to it in 2013/2014 it was \$80,000 that was spent on that, and in 2014/2015 it was \$139,000.

Unless we begin to effectively have mechanisms to oversee the spending of these monies, this is what we will get. We will continue to get this, unless we can hold these Ministries responsible for the public purse. I mean, I would like to hear, and I am sure that these Ministries accomplished and achieved something. Is it training that they need? How come some Ministries like the Honourable Hulse's charges are able to comply with the spirit of this, but other Ministries like the Ministry of Finance are mostly non-compliant. How comes? Is it interest? What is it? How can you spend upwards of a billion dollars of the people's money and not tell them where you are spending it, how you are improving and what it is that they are getting for their money. How can we sit here and feel good about ourselves when this is happening now, certainly in the last three budgets that I've seen? But yet we continue to borrow more and more every year. That is stable. The trajectory of debt rising is very stable; it is not wavering at all.

Mr. President, one of the highlights in this budget, it was said, was the raise to public officers. Well, there is a raise from 2015/2016 to spend \$374.3 million, they claimed, in wages and salaries. And in 2016/2017 it is budgeted for \$402.7 million. But I have news for you, Senator, that in 2017/2018 it goes down to \$367.8 million. So I don't know what's going to happen then, if you are going to get a cut or if there will be layoffs or what. But you've been forewarned, my good Senator.

Under revenues, Mr. President, I looked with great interest in this budget book, and I noted that there was income declared or projected from BTL. But I need some help. I have not been able to find any income from BEL. I've not been able to find any income from APBEL, which we have shares in that APBEL. We have shares in many other quasi-government, the water company. I've not been able to see how our interest in that company has been doing. I see some from tourism but what about all these other peripheral interests that we have that lie outside our purview, nothing, totally silent. I believe as well, and I am hoping the Leader of Government Business is here, but his deputy is here, that it is time for us as well to see in this budget exercise what it is that we actually owe, man. It's about time. We see how much we have to pay and how much we have to service, but we still don't know who we owe and how much. It is still not in here. That we will take one page or two pages maybe. Well, I don't know; it depends. Maybe we owe a lot more now. So maybe it might need more pages. But, I think, it is high time that we begin to see in this budget exercise what it is that we owe to who. I think that is a reasonable request.

We hear as well, and I now refer you to pages 147 to 159 of the budget. We hear as well that there is going to be a dramatic increase in the number of personnel in the Ministry of National Security. Well, it hasn't been budgeted because if you look at the year 2015/2016 revised there was an increase between 2015/2016 and 2014/2015. Yes, but they claim that there is going to be a mark increase in National Security personnel. Yet, if we look at page 147, it projects from 2015/2016 to 2018/2019 one more person will be hired in the Ministry of National Security. Mr. President, with your permission, the Ombudsman's report was tabled today. And the Ombudsman has been saying now for quite a few years that what this Ministry needs is more training and resources for the police. The Ombudsman states a lot of other things that we need to have, more body cameras and other cameras to support the police. But, if you look at this budget which is going to spend \$142 million of our money, it is very silent on those. As a matter of fact, the Ombudsman was kind enough to remind that for years now his recommendations have not been followed. Now this is a gentleman that is strapped for resources, five people in his department, one vehicle, but he makes good solid recommendations. And, if you look, he encapsulates them quite neatly in an executive summary. And I strongly suggest that Members look only at page 6 and page 7 of his report, where he screams for certain things to be done to improve transparency, to improve policing, to improve on the freedom of Information Act. I know I am straying just a little bit, Mr. President, but they are good, solid recommendations, and a great deal of them has to deal with the Ministry of National Defense. Maritime security was not able to identify any of their targets. They are spending \$11 million, but we don't know what it is all about, accountability, Mr. President.

Mr. President, let's get back to this ballooning national debt, 80% of GDP and rising, because you know, Mr. President, in our future or at least as depicted by this budget book we will continue to borrow to balance our budgets. Nowhere in any of this presentation do you hear about debt sustainability, do you hear about balance budgets, do hear about cutting expenses, lowering our debt. No, we see that for the next three budget cycles we are going to be on that path of

borrowing. We had to borrow \$266.4 million to balance our budget 2015/2016. We are going to borrow \$150 million next year. We are going to borrow \$200 million in 2017/2018 and \$178 million in 2018/2019. Now we can't believe these numbers you know, because every year while we project, well, I'll give you an example, a clear example is 2015/2016, we projected \$173 million, but actually we borrowed \$266.4 million. The year before was the same, and the year before was the same. So, while we project, we spend more. We continue on this very stable path of borrowing more and more to balance our budgets.

Mr. President, in the budget presentation it was claimed that this is a budget of an administration determined no matter what to keep faith with the teachers and public officers, granted, done, with the poor people, I'm not sure about that, and with the middle class. How? More people are going into poverty, and it claims with business. Where? We acknowledge that the primary sector is in trouble. It is in a defensive position, the secondary sector as well, manufacturing, defensive posturing, no hope. The budget presentation acknowledges it, claims that the sector that is performing well is the tertiary sector. But it does not identify what and how it is going to stimulate the primary and secondary sectors. And we need those sectors for the private sector to play its rightful role in stimulating this economy. We cannot continue to have this. Every country in the world that has tried to have a public-sector-driven economy has failed and gone bankrupt. And we are going there you know. We are heading down that path. Yet we spit in the face of all the international agencies that warn us otherwise because we are hell-bent on this path. We are concerned in the business community because we continue to pay for it.

The world around us has enjoyed falling oil prices. Here was a perfect opportunity to give the business sector, the productive sector, and the agricultural sector a much needed boost. Fifty million dollars could have been injected as a stimulus. What did we do? Well, you know what we did. When oil prices were high, we had high taxes or ripping off the top. Oil prices dropped; do you think we get reprieved? No, Government takes up the slack. Fifty million dollars tax hike is what the business sector has gotten from this budget, no stimulus, no encouragement, no hope but a \$50-million tax hike. Imagine how much money! You know and there is a certain amount of shortsightedness because this \$50 million, if it was put into the economy, Government would have captured their 35 cents every time that dollar spun around. Imagine how much help that would have been to the taxi men, to the truck drivers, to the bus owners, delivery vehicles, to the farmers, to rice, corn, beans, and sugar. It would have been a fantastic way to stimulate private sector without costing Government a penny because when that \$50 million would have been spent, every time it spins around again, Government would have captured its 35 cents.

So here we are with a primary sector and a secondary sector performing below par or struggling, needing help. We had an opportunity to help them; we didn't. Yet it is claimed that we will be investing in ports for the export of goods and services. I don't know what we will have to export pretty soon if papayas are gone, sugar is waffling, citrus is shaky, and shrimp is shaky. I mean, where is the stimulus to the business community? This was an opportunity, and we failed.

Nowhere does this budget propose to stimulate the primary and secondary sectors in this country. For that matter, it is very silent on how it will continue to support the tertiary too, but at least the tertiary is healthy for now. God forbid there is another global catastrophe or this terrorism thing gets out of hand again that our tourism is affected as our country will be in deep trouble, deep trouble, if that ever happens.

We continue to see our trade deficit ballooned. Today we will pass a law that takes away that little, perhaps, competitive edge that we had. It will balance the playing field as far as taxes are concerned. We are going to be on the same footing now, imports and locally produced items. Correct me, if I am wrong. So we're being asked to compete. The reality is that we've become less competitive. The reality is that our trade deficit is widening. The reality is that this budget has absolutely nothing to stimulate the private sector. I mentioned earlier how much money was put into the fund for the private sector \$122,000. I mean, how can you say that you are going to be "working with the private sector" and determine "no matter what to keep faith with the private sector"? Where is that faith?

Mr. President, this year we spent 7.5% of GDP in excess of the revenues that we were able to collect. Now, if you have growth, if the economy is growing, at 1.2% and Government is requiring 7.5% more, how is that going to be healthy, how is that going to be long term sustainable if you are growing by 1% and Government is taking 7.5%? How is that sustainable? Page 8, it is right in here. Look at the numbers and do the math, simple division. Our deficit for financing requirements for 2013/2014 was 3.7%, for 2014/2015 was 4.2%, for 2015/2016 was 5%, but it is now projected at 7.5%. So Government is consuming faster than we are growing. We can't keep it up, and that \$50 million tax increase is evidence of that. We are very happy to see, however, that the tax department has been improving on its collections. We still think that a lot more needs to be done in this area because we know that a large sector of the business community, we have to admit, still fails to comply and are not contributing their fair share. So, yes, we acknowledge that, and we've been calling for it for years for compliance across board so that the burden is lighter.

Mr. President, I will end by asking my colleagues to please call a spade a spade, man. I don't think we are asking too much when we expect our Ministries to report to us and to tell us what it is that they are going to do with our money. I know that it is obvious that leadership is lacking in the highest quarters in this regard. And I am most disappointed and we are most disappointed that the Ministry in charge of this budget, Ministry of Finance, is totally non-compliant. Cabinet is totally non-compliant in setting targets, goals and objectives. And I would hope that maybe the Leader of Government Business can find some time in his overburdened schedule to help his colleagues or advise them or guide them or do something, man, so that next year when we come back at least the people of this country can say, yes, we can see what it is you are doing. On that point, please, I don't want to hear no more about, "Can't you see what we are doing? Look at the streets." Yes, infrastructure is good, but we need to look at all the Ministries not just the Ministry of Works. And maybe it is time now to focus finally on the private sector, and helping the private sector to grow, so that we can

contribute more to the economy in taxes and so that we can hire all those people, 10,000 of them, in tertiary education. Where are we going to employ them? There is no mention of that. Some Ministries on the periphery mentioned, you know we are going to have little programs to help make people more employable, etc. But what is the purpose of educating and making people more employable if you don't have the private sector demanding that employment? So let's get serious, not just giving it lip. The private sector is extremely concerned about this budget because it does not speak to cutting waste. It seeks to borrow more, and this eventually leads to a less competitive Belize.

I take this opportunity to remind as well that we have highlighted in our business manifesto a host of items that we believe would lend to more efficiencies in public spending as did the Ombudsman. Please read the report.

MR. PRESIDENT: Excuse me, Senator. You are a little bit over the time allotted. Can you wrap up?

SENATOR M. LIZARRAGA: Yes, Mr. President, I am wrapping up.

MR. PRESIDENT: Thank you.

SENATOR M. LIZARRAGA: So, Mr. President, if we want to have a competitive Belize, if we want to attack this trade imbalance, if we want to employ the thousands of students coming out of school every year, which we spend so much money to educate them, the only people that can do it in a sustainable manner is the private sector. We need to make these people entrepreneurs, or we need to grow the private sector so that we can hire them. I would hope, because you know we are going to get supplementaries down the road, I would hope, that when the supplementaries start coming, that we see in those supplementaries items that will encourage and truly stimulate the private sector in this country. Thank you, Mr. President.

SENATOR V. WOODS: Mr. President, I rise to give my contributions to the Drat Estimates of Revenue and Expenditure for the Fiscal Year 2016/2017. And, with your indulgence, I will refer to my notes. Mr. President, the budget presented by any government is one of its most important responsibilities as it is in any private business or non-profit organization. Indeed, for the Government the budget should be guided by basic principles of characterization, affordability, efficiency and effectiveness. Abiding by these principles are even more urgent and critical when crafting a budget based on a scarcity of resources. But more importantly a programme budget should be based on programs that work towards some greater development plan that illustrates a path to growth for the organization, in this case the country of Belize. It should be one by which results can be easily measured and value for money spent can be readily seen. As one of the newest Members of the Senate, that was very difficult for me to assess.

Mr. President, this is either the second or third year that the Government

has presented the Revenue and Expenditure Estimates claiming it to be programme budgeting, but really there is very little information one can gather on what has been put forth. There is simply not sufficient convincing evidence presented in this fiscal year's budget that illustrates that we are getting the most bang out of our dollar. A lot of the key performance indicators are simply not present. Words or in this case lack thereof does have meaning. At least if there was a clearly articulated development plan for the country one can try to surmise why expenses are so allocated and to what end to understand why some areas have more prioritization than others. For now it is just a budget book filled with numbers and no real substance.

The 2016/2017 budget, Mr. President, is woefully lacking. Now let me be clear that debating the budget should be an objective and a non-partisan exercise. Just in the first Senate meeting that we were privy to, we were reminded by those on the other side of the Chamber being the Upper House and that we certainly are above the political fray in this Chamber. So to do any less with this budget is to do a disservice to the people of Belize.

The budget we debate today does not offer the private sector any incentives for new investments. It fails to present any job creation strategy, and it does nothing for development of new opportunities for increases in wages. That is a fact. What the budget has clearly presented though is that in 2015/2016 the overall deficit was about \$180 million and what the Government budgets for 2016/2017 doesn't readily, clearly state it, in fact, completely leaves it out of the budgeted figures. The deficit will definitely be higher when the BTL payment comes in. By Government's estimation in a slight reference in the presentation by the Rt. Honourable Prime Minister, this is estimated at approximately \$200 million. When the Minister of Natural Resources was the business sector Senator representative in the Senate in 2007, he stated in this Chamber back then when the Government then spent \$153 million more than was budgeted, "Who on earth gave them the authority to spend so much more than what was budgeted?" As our colleague back then once stated, "It is a serious matter, and, if we are to get this country right, we have to get its finances under control." Mr. President, that starts with a budget that should streamline recurrent expenditures. Of course, all Belizeans would like to see our public officers, teachers and alike get their promised wage increases. But shouldn't this at least be offset by unnecessary increases elsewhere, by cost cutting measures elsewhere? For example, under the Foreign Affairs there is a significant increase in the number of managerial and executive positions, yet a drop in technical front line positions. There are projected expenditures for an Integrity Commission where there has been no appointment of such commission. Isn't it time that the positions of the Ombudsman and Contractor General be looked at seriously to determine the effectiveness, both in productivity and cost? Only today the Ombudsman's report was tabled, and it is where he does really scream for attention because his recommendations simply are not being listened to.

Where is the priority of road construction? Which road strategic ally will be dealt with in this new fiscal year? Where is the focus on road maintenance? Indeed, much of the road works of the past two years are already showing serious

damage, wear and tear. This now raises the question of the tendering process involved to ensure Belizeans are getting this value for money and the value for the millions being spent under this budget, whether it be the roads or the various projects under the Belize Infrastructure Limited.

The very title of the budget, “Stability in a Time of Change”, sets the tone for what so many have been predicting. The economy has stagnated, indeed, stagnated not stable. Indeed, many will say it is more than stagnation but, in fact, a recession. The Statistical Institute of Belize for the second and third quarters of 2015 reported negative GDP growth, an indicator that, indeed, the country is possibly going through that recession. Mr. President, a budget under these circumstances is critical, with 80% of GDP being used to pay the national debt, the budget speaks nothing of growth in the business sector. To have to read and digest that a budget presents a mere \$122,000 worth of investment in the private sector is a slap in the face of those many businesses that continue to try and move this country forward. This has been evidence for some time now as the high liquidity at the banks is a clear indicator, not that the interest rates are so low but of the low confidence level in the economy and the willingness of businesses and individuals to borrow.

In fact, in the proposed recurrent revenue under registration of companies there is a decrease in revenues that is projected for 2016/2017, coming on the heels of a decline in 2015/2016. There is absolutely no growth. Projected GDP growth rate is about 1.5% to 2% which is less than the population growth rate for the country, cited as 2.16% in the World Bank as one World Bank reference. For people’s income on average to increase overtime, the GDP growth rate must exceed the rate of population growth. We cannot continue to ignore that. The programme budgeting does not speak to how the proposed activities under the various Ministries, as a programme budget should, will provide the enabling environment to increase those incomes. It doesn’t speak to any plan to rescue the troubled agriculture industry and, once again, very little for our fisheries and forestry, further challenging the increases in GDP growth rate. The fact is, Mr. President, that in the business sector businesses borrow hugely and they run deficits for expansion. The difference is that they do so prudently with the result of increasing profits, getting returns and consequently creating jobs. No less accountability for such levels of borrowing that these estimates are suggesting is required from the Government.

Crafting a national budget, Mr. President, is about efficiency, effectiveness for economy, is about accountability and transparency. Indeed, it really is about good governance. And, yes, while programme budgeting is commendable, it is more window dressing without a strategic development plan, without meat to the bone, without substance on that section of each Ministry that talks about achievements last year, proposed targets and these KPIs. How else can we tackle reducing the poverty rate if we don’t have that? It is about getting the budget right for development purposes. It is the plan that will tell us what kind of Belize we want in the future so that Government will be better informed in formulating the budget each year. This would go a long way in allowing government to better rationalize the prioritization and allocation of scarce resources, for one reason and

one reason only, to present the best possible result to the people of Belize.

What are some of the questions a programme budget should be attempting to answer? Well, what is the quality of education that we should go after to meet the needs of our economic life? Is the budget programme to modernize it? With the increases in education expenditures, what are the plans for job creations for the thousands of Belizeans when they graduate from the tertiary level? What is the kind of health system do we want to meet the demands of a growing population and to enhance productivity? Where do we first build roads and bridges to get the maximum return in the shortest possible time? Very importantly, how much should we borrow and at what cost? And how much taxes can we demand from the citizens? While it may be true that we have transitioned or appear to be transitioning to programme budgeting, which should be all about results and outcome, when you peruse this estimates, there are very little evidence that that is there from Ministry to Ministry, line item to line item, key performance indicator to key performance indicator. Some quite frankly are just blank. How can we, as responsible Members of this Chamber, accept that with any integrity? We would have not accepted it for our own household budget. We would not accept it for our own businesses, much less for the country.

Indeed, after seeing this and reviewing the last year's budget, we certainly would like to see the Auditor General's opinion on the last year's programme budgeting. In order to effectively assess any budget, especially those being presented in a programme budget format, and in order for it to be effective and in order for this Chamber to be effective in the analysis of such, we should all want to see the Public Accounts Committee reconstituted but with a non-partisan majority. If we are to be true and sincere with the people of Belize, as we debate these annual budgets, we in this Chamber should all demand that, indeed, that 13th Senator be appointed. If we are to be sincere and true to the people of Belize, we should demand that the Integrity Commission be put in place. It is not that we in this Chamber and those really in the National Assembly should appear to be accountable but it's that we should really be accountable to the people of Belize. There is simply too much at stake, perhaps not for us presently but certain for generations of Belizeans to come.

Speeches embellished with self-praise is no substitute for good governance and a sensible reasoned budget. So I rise to state, and I am not satisfied that the Government has it right with this budget. And there is very little information under the key performance indicators to suggest that what is in those pages will help make the leap forward for Belize which is desperately needed. It is more rhetoric than reality. Thanks, Mr. President.

SENATOR M. COY SR.: Mr. President, please allow me to stand in this Honorable Chamber to make my presentation in full support of this budget 2016/2017. First of all, please allow me to make use of my notes today. Also, I want to give a special thanks to the creator for such a wonderful day today that we are enjoying, for many of us in this world may never see such another great day. I also want to express my deepest and warmest appreciation of messages from friends, families and colleagues on my 30th birthday last week, Thursday. Thank

you very much, colleagues, and, of course, families and friends. I also want to express my deepest condolences to the Tzub family in San Jose and the Yatz family in Silver Creek, both in the Toledo District, whom have lost their loved ones during this Easter season, Mr. President. Let our prayers be for them.

This budget for 2016/2017 presented by the Rt. Hon. Dean Barrow, Prime Minister of Belize, is a good budget for all of us, Mr. President. And the people of Toledo, both west and east, support this budget. Never before had we seen such a dedicated, transparent, accountability and hardworking Government like this third-term United Democratic Party.

The hard work of this United Democratic Party speaks for itself and for the records, Mr. President. Never in history had we seen development right across this beautiful jewel of ours. Even the blind man who can't see can proudly say that he can feel and smell the odor of fresh paint and cement paved highways as he can feel the smooth ride of the brand new roads and hurray on the turning of the roundabout when he goes in that vehicle. You see, Mr. President, this is the reason that every single Belizean whom had lost hope and confidence in the PUP administration from 1998 to 2008 and continues to lose hope in the them can now say that this present UDP Government is at work and continues to transform the lives of every single Belizean and delivers to every single soul of this beautiful nation of ours. In other words, with the approval of this budget, the best is yet to come.

With that said, Mr. President, the best is already happening here with us today, with the people of this United Democratic Party and the people of this lovely country. You can see, Mr. President, this budget will bring many developments to this nation. The question arises, listening to the Senators of this side and of the other side, as it relates to the expenditures we have and what will be spent and how it will be spent. Let me then make this clear, Mr. President. In the Ministry of National Security, and the Ministry of Education, as both were mentioned, in the Ministry of National Security \$10 million is budgeted for 2016/2017. With this then, we will increase manpower in the Belize Police Department, Belize Defense Force and the Belize Coast Guard, Mr. President. There will also be the constructing of the forward operating base for the Belize Coast Guard at Hunting Caye and Ambergris Caye with this \$10 million budgeted for 2016/2017.

In education, Mr. President, my field because I am an educator like, I believe, almost all of us here. Mr. President, the UDP will build 35 new schools in this upcoming school year with this budget which will provide more access to education for all. In fact, education is everybody's business, Mr. President. The feeding programs introduced by this present UDP Government have been helping to keep more children in school. And with the initiative of the programme in partnership with the Quality Child Friends' schools 95% of aged-school children are in school today compared to 70% or less under the PUP administration, Mr. President.

Under the Education Ministry, Mr. President, because that is one of the Ministries that was mentioned by my colleagues on both sides, the Ministry will have access to internet and free Wi-Fi. In fact, right now, Mr. President, we are enjoying BTL free Wi-Fi in the parks and in the cities. With the introduction of the Raspberry Pie Programme at schools, we'll only get better into today's technology of learning. This programme has basically been introduced in all schools in this country all across, Mr. President, when it was only a promise made by the PUP Administration. The continuous training of all teachers in the field of education and the continuous subsidy programme for all first and second form students for the Toledo and Stann Creek Districts is to promote poverty alleviation, likewise, the thousands of university students who are using the free tablets that were given to them to access learning at the palms of their hands at any time and place of this country, Mr. President. Mr. President, you see, the UDP Government is truly a Government for all, even though we hear a lot of criticism for this present Government. We are not like the Opposition or like the other third parties that promise but fail to complete or deliver nothing, *nada*, nil to the Belizean people, Mr. President. We are all full of work, we are full of getting things to the Belizean people, Mr. President

Mr. President, please allow me to also go on record, and this had personally felt as an attack on me, Mr. President, the criticisms made by the current Toledo West Representative, Honourable Requeña, in the House last week Wednesday. He mocked and criticized me with unjust and untruthful presentations. He obviously was not prepared for his budget presentation debate that day. So then to beat around the clock and not to make his Leader angry at him because he certainly is and still holds that against him in the last PUP Convention. Therefore, he decided to mention untruthful things about me. But, Mr. President, do you know what the people of Toledo West, in his constituency, say to me when meeting them at their homes and churches, in fact, when sharing sorrows and happiness with them over this Easter Holiday, in fact, for the past couple of years? The Honorable Member from Toledo West absolutely does nothing for his people. He claims and points fingers at this current Government rather than finding solutions and delivering it to his people in Toledo West. You see, Mr. President, he has publicly said that in my capacity, as a high school principal, it is a shame on me for not having internet in school and instead be borrowing internet from other schools. I don't blame the PUP and him for saying so, Mr. President, because they don't believe in sharing and caring. That is the type of mentality they have and will always have, and for that, Mr. President, they will never, ever return back to be the Government of this country simply because they are bad, ignorant and full of corruption to the Belizean people, especially the Honourable Member from Toledo West. They are no good. My grandfather would say, in his language, they are useless and senseless, bad for the Belizean people!

Furthermore, Mr. President, do you know that the present Honourable Member of Toledo West sends people to my house on a daily bases, since he claims he is nobody?

MR. PRESIDENT: Have a seat, Senator. Yes, what is your point of order,

Senator Lizarraga?

SENATOR M. LIZARRAGA: Are we here debating the budget?

MR. PRESIDENT: Senator, please, can you stick to the budget debate.

SENATOR M. COY SR.: If you can please allow me, Mr. President, to respond because as I had mentioned, he personally attacked me in the House and I was not present when he mentioned it. So I need to respond and put it on record, Mr. President. Would you allow me to do so? And then I will continue with my debate.

MR. PRESIDENT: Quickly, please, because you have said quite a number of things already.

SENATOR M. COY SR.: Thank you very much, Mr. President. So, Mr. President, I therefore ask if this Honourable Member from Toledo West apologize to the nation for using and misleading my name as his political games. My message to him, Mr. President, is to be careful of what he wishes for or do because in 2020 the people might just return me, instead of him.

Mr. President, please allow me to continue to mention the proven work of this hardworking Government under the Petrocaribe programme, and the approval of spending this money. Everyone can now enjoy the smooth ride over the brand new bridge that was built for the people of Crique Sarco. Over the holidays I had a swim at Crique Sarco, Mr. President. I like to see the bridge that has been built by this current UDP administration. The people there had been neglected for years. In fact, in those days the Crique Sarco people used to walk over that river to come to town but now they have a brand new bridge. When we ask, what is the value we are getting for our money? These are the things we are getting for our money. This is the type of development that we are bringing to this nation, Mr. President. Thanks to the past Area Representative, my brother from another mother, Mr. Peter Eden Martinez, he made sure that this was delivered to the people of Crique Sarco. The village, like I said, was being neglected for years.

Now there is the resurfacing of streets in Bella Vista, Bladen, San Pablo, San Isidro and Trio Villages in northern Toledo District. There is the rehabilitation of Barranco piers, where I used to grow up during most of my days in Barranco. There is the upgrading of West Street, Olivia Sentino and Cayo Streets in Punta Gorda Town. This is the type of development, and this is the type of transparency and accountability that we are talking about, that all people now enjoy, Mr. President. There is the completion of the new Maura Lopez Market in PG that was just inaugurated a few months ago, Mr. President. There is the almost completion on the extension of the new paved highway from Dump to Jalacte that anyone of you, in fact, I invite all of my colleagues here to take a trip to Jalacte, Mr. President. When you go on that highway, you feel like if you are in some place in New York; believe me, Mr. President. There are also the building of computer labs at the Julian Cho Technical High School, the upgrading of buildings at Toledo Community College and the building of a state-of-the-art

science lab at Corazon Creek Technical High School, Mr. President. This is the type of accountability and hard work that we are doing in this present Government. The south continues to enjoy the fruits of this Government with the building of a new water system for Santa Anna Village, the extension of water system for Aguacate village, the commencement of the Conejo Creek water system, and the about to start of the new water system for Pueblo Viejo and also the commencement of the Pueblo Viejo Technical High School just like the San Isidro Technical High, both in the Toledo District. This is the type of accountability and transparency. This is the way how money has been spent, if that is what we want to ask as to how this money has been spent.

In closing, Mr. President, development under this UDP Government has been pouring to the southern part of this nation with the construction and rehabilitation of the new Sporting Complex in PG. Now I want the nation to know, and I want to make it on record, Mr. President, that the sporting complex which had been neglected for years will now be one of the state-of-the-art in Punta Gorda Town that many are looking forward to. There will also be the rehabilitation of the Toledo Union Field, where a lot of us go to play football. I used to play football but not anymore, Mr. President. But I still get some football boost every now and then, and I am practicing again, Mr. President. I don't want to reach that level of a national team player but I want to be somebody, Mr. President. There is also the new building of a NEMO office and a Forest Department at Laguna junction.

I pledge my full support, and the people of Toledo are in full support of this budget, Mr. President. And with that, Mr. President, this is the type of work that we are doing, if that is what we want to ask and question about, Mr. President. My Senator colleagues, this is the type of development we are doing right across this nation. And it's not only in Toledo, Mr. President. You can travel all the way up north in the Corozal District and you can travel all the way to the Sarstoon and this is the type of building we are doing for this nation. Thank you very much, Mr. President.

SENATOR E. SMITH: Thank you, Mr. President. I request permission to use my notes. Mr. President, I rise to make my observations and contributions as per the budget presented before us. As we deliberate on revenue and expenditure, we must not overlook those who make vast contributions to the revenue we collect, the hardworking people of this nation. Despite this being a fact, the same circle of people was not properly consulted or had even a glim of engagement in the process of putting together this budget. The practice of meaningful engagement, Mr. President, I believe, should be embraced by any government, not to mention an administration which gloats about transparency and accountability, and even more so, one that was ushered into office on a promise of accountability and transparency.

Any level of true consultation would legitimize the appropriation of funds as by so doing the administration would truly be allowing for participatory approach by the very people who empowered them. While all the workers cannot be directly involved in the process of consultation, there are organizations like

ours, the Trade Union Congress and Civil Society which represent a vast number of these people. Therefore, it would be in the best interest of the Government to seek audience with us. So, Mr. President, I want to underscore and emphasize the fact that this budget before us is one orchestrated in the absence of a very critical element, consultation with significant stakeholders that would have taken into consideration the voice of the working class. One only has to recall the value this kind of inclusive representation brought to the budget exercise of 2009, employed by this very same administration in the initial stages of its historic term of office.

Moving on, Mr. President, it is evident that this is a deficit oriented budget. The obvious decrease in revenue and increase in expenditure jumps out at any peruser doing but only a cursory glance. This type of budget has become the trend for far too long. As the representative of the working class of this nation, it would be remiss of us not to point out that we long for a budget that would demonstrate investment, that would generate much more revenue, that can find its way into the hands of the workers, increase their spending power and injects a much needed spark into the economy.

When we consider that some 43.1% of the population is below the poverty line, we question why this budget is not investment oriented. I am not referring to investment in infrastructure as seemingly is the focus of this current administration. Mr. President, please don't get me wrong. I am not knocking the infrastructural investing at all. It has the immense value to our country. I can cite a few as being aesthetic, communication/transportation connectivity as well as improved standards of living among others. What I am concerned with is that we all know that infrastructural investment provides only structural employment for the populace who access the jobs made available project by project. This is the reality on the ground. While the paving of roads, highways and construction of bridges may help with trade and intra-contra-linkages, we must ask the question. How is that impacting the lives of those living in poverty? And how long will they be able to benefit from such investment? The answer is clear, Mr. President, only as long as the projects last. Thereafter our at-risk unskilled and unemployed are right back to square one, jobless and penniless. Doubt me, Mr. President? Just check in with Belize City where the flourish of street construction has evaporated. What has been the outcome of this? Nothing, other than the loss of the temporary jobs the construction boom created, and that, Mr. President, will yield distasteful dividends we dare not cash in.

Investment in our people is paramount, if we are to minimize poverty. As a country rich in natural resources, Mr. President, we must find ways of using these resources to benefit our people. How can we attract investors to bring in new industries that will generate employment? Look at our citrus, papaya, shrimp and banana industries, they have all suffered losses resulting in hundreds of persons becoming unemployed. Sustainable employment should be our focus as this will contribute to the generation of much needed additional revenue that would allow our small developing economy to have a reasonable level of survival in this shark-devouring-sardines global economy.

Mr. President, as a nation, we must make efficient use of what we have

and also focus on diversification. We have a cotton industry in this country that we seem to not be tapping into. If we are serious about increasing employment, then we should be developing and expanding this industry. We can look at the sugar cane industry and see what else we can produce from those raw materials that will benefit our country and create jobs. We need to access the Central American market for agricultural products so as to increase production and bring in revenue. We need to encourage and provide avenues for our people to go back to the days when we grew our own food and use the produce to generate income for ourselves.

Mr. President, this Government boasts about their boost and pantry programs. When we look at the Ministry responsible for such programs, we note that it shares 16% of the budget with 16 other Ministries. Is there much to boast about? What mechanisms are in place to ensure that those who really need these types of assistance are actually getting them? Empirical evidence exists that some persons benefiting from these programs are not deserving of such assistance. We should make every effort to create a culture of independence rather than dependence these programs seem to propagate. Have we done a thorough evaluation of the programs to determine its benefits and whether there are loopholes that we need to seal?

Moving on, Mr. President, the establishment of the LMIS, the Labour Market Information System, is critical if we are to embark on an employment expansion programme. Only if we have scientific data that informs industry needs can we make projection in the budget for job creation. We first need to know our developmental needs, create the skills set through training and education planning and policies that would meet these needs. This area, Mr. President, is where, I believe, the budget exercise needs a strong dose of reality check. Don't forget that we are anxiously awaiting the passage of OSH.

An examination, Mr. President, of our country's wage bill reveals a mark rise in emoluments. The IMF has pointed this out to GOB for at least the last two reports to this nation. Just examine the budget to find proof. This scenario is of serious concern to our organizations. Critics who want to cry foul are quick to blame the teachers and public officers for this ballooning of emolument figures due to the salary adjustment currently being implemented in three phases as fulfillment of an outstanding collective agreement for these public sector workers. I call this scapegoating tactics, Mr. President. If this problem is to be fixed anytime soon, we must be honest and identify a most significant contributing factor to the rise in emoluments and which from our perspective is a true reason for this situation. The public service is bloated and continues to be systematically padded with too many contract officers. It is this source of employment, irregular and politically engineered as it is, that a big chunk of the revenue is extracted thus the mushrooming of the wage bill. This epilogue is well told in the cost savings committee report and that of the efficiency committee as well. Furthermore, it is buttressed by the recommendations made by both committees. This exercise on cost saving measures was completed as a collaborative activity between the unions and the Government and submitted, and to our knowledge, despite several requests to

the Financial Secretary, nothing was done. One suggestion was to reduce excessive spending on office rentals, purchase of vehicles for Ministers, especially in the case where they are returning Ministers. Revenue Enhancement Committee has submitted two reports, Mr. President, to the Prime Minister, and discussions on those are still pending. If this Government is serious about cost savings, this committee needs to be revived and become a standing national committee. I must also add, Mr. President, that proposal 22 submitted by the negotiating team still lingers. Can you imagine, Mr. President, that Cabinet has refused to pay full pension for our grant aided secondary school staff? These are some of the same people who have helped those Cabinet Members achieve their educational goals. Can you actually imagine such refusal? These hardworking people cannot imagine the possibility of the best that is yet to come. I am sure however that the chosen few imagine and are now enjoying the best that has come to them.

In concluding, Mr. President, I must reiterate that my constituency continues to press for conspicuous implementation of S.I. No. 95 of 2010, even if this is done in an incremental basis. We still hope for a definitive fiscal strategy statement in budget cycles and the opportunity to examine the fiscal outlook and midyear review reports. We call on the private sector and Government to develop a new culture way by private sector does not survive solely on monopoly and concession as is the current practice.

Finally, Mr. President, we cannot continue this practice of kicking the ball down the road. Super bond payment will be due soon, and we are seeing no light at the end of the tunnel as it relates to this matter. Based on all that has been said regarding this budget, a more appropriate title would be “Stagnation Leading to Starvation”. Our economy is stagnant, and if we continue down this road we are going then the only result will be starvation and eventually a failed economy. Belize and Belizeans can ill-afford this, Mr. President. And the responsibility to ensure this doesn't happen lies squarely in the hands of the planners and policymakers. After all they lobbied the populace. Thank you.

SENATOR S. DUNCAN: Thank you, Mr. President. Mr. President, for the last 5 years to 8 years the Government has been leading the charge on investments, projects within the economy, within the country. And, as Senator Macario pointed out earlier, there are several project plans within this budget that are planned to take place, that are expected to continue.

I heard that the business community feels that they are getting nothing from the budget, but I have to ask the question. If so much is being spent on investments and projects, who is benefiting from this? One would think that the business community is benefiting from projects taking place. The Government buys a lot of the things it uses in its projects, locally, and it uses the services of local artisans, contractors, business people, etc. And I am surprised to hear that the business community feels that they are getting nothing from the budget. Are we suggesting that everybody else benefits in the country, except the business community?

The revenue has also been described as probably stagnant or not growing. As I read the budget, I recognize that the Rt. Honourable Prime Minister made it very clear when the budget was stabled that dividends earned from BTL, there was a windfall because there was some back dividends that were paid when the courts lifted the restrictions it had placed on BTL. So that within the budget, within the figures, the revenues for the 2015 figures, there is about \$18 million more than is normally collected in any one year because it had figures for previous periods. Well, yet in this estimate that is being put forward we are seeing a slight growth in what was done for the current period. So for the period to start in April we are seeing a growth over the current period, even though the current period has in some \$18 million that did not belong to that period that comes from previous periods. So it seems to me, Mr. President, that there has to be growth for it to be able to pick up the slot that will not recur in the period to start in April, some \$18 million.

As I listen to everyone, it is clear that different people expect different things, and clearly it makes it very difficult for a Government to address everything, all at the same time and in the same budget year. The Belizean people seems to have had an unwritten practice since independence that the PUP administration was removed after one term and a UDP administration was installed or was elected to fix what went wrong under the PUP administration. It was very clear that the public felt more comfortable with the stewardship of the UDP. But somewhere along the line that changed in 1998, and a two term was granted to 2008. And no more was the wisdom in that practice more evident than in those ten years, why the people were doing what they did. Today what we have is an administration that has demonstrated its ability to function effectively in lean times and in good times. We see that when this administration first took office in lean times it was able to take us through a period of significant challenges. And this changed clearly with the coming on stream of Petrocaribe funds that has really done a lot for this country. But, again, we saw the administration make the necessary adjustments into a more expansionary thinking and utilize the funds but in a prudent and judicious way where the people of the country have been able to see where these funds have been utilized.

What we are now seeing in the budget, Mr. President, is the action of a Government that knows when to make the transition. What we are seeing is a Government that has said and is recognizing that, in fact, Petrocaribe funds are not as much as it used to be in the past. So the Government is saying we have to curb our behavior or activities. And they are doing what is necessary, they are doing what needs to be done, to manage the resources they have, prudently and properly. It is being touted as stagnation, there is hint of possible recession, and there is also suggestion of maybe even reaching the stage of starvation. But what it appears to me, Mr. President, is that we have a Prime Minister that plans ahead, that recognizes when he has to change directions, when he has to change course, and is taking the steps necessary to ensure that none of the things professed, none of the gloom and doom professed actually happens because if we take the steps now to change course and to plan and spend accordingly we will not get to that stage of starvation.

A few years ago the nation supported the Prime Minister with the acquisition of our utilities companies. At that time the Prime Minister made it very clear that, if we acquire or having acquired these assets, we have to pay for them. That was never in doubt, that was never in question, and, if it were, I am sure that my friend and colleague, my good Senator colleague, would have made sure that the Prime Minister paid for the assets. Mr. President, we are now at the juncture where we have to pay for the assets. This has clearly and is clearly having an impact on our resources, but that is not unreasonable. Everybody who has built a home knows that payment of the mortgage makes a deep dent on your monthly income, at least for some of us. But you still need to build the home. Having built the home and having to pay the mortgage may require you to make adjustments to how you spend your surplus funds. You may have to change your lifestyle, again, that is very natural. You want to make sure that you have the money to pay for your mortgage. What we see happening here, Mr. President, is the Prime Minister recognizing that those payments have to be made and having made the payments is saying we have to make adjustments accordingly. When there were no Petrocaribe funds, the Government under the Rt. Honourable Prime Minister Dean Barrow still managed the economy and brought us through very challenging times after it took over in 2008, very challenging times. And I have absolutely no doubt that he will be doing it now.

MR. PRESIDENT: Excuse me, Senator Duncan. Yes, Senator Hulse.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, in accordance with Standing Order 10 (8), I move that the proceedings on the order paper may be entered upon and proceeded with at this day's sitting at any hour though opposed.

MR. PRESIDENT: Honourable Members, the question is that the proceedings on the order paper may be entered upon and proceeded with at this day's sitting at any hour though opposed.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Senator Duncan, please continue.

SENATOR S. DUNCAN: As I was saying, when there were no Petrocaribe funds, the Government had to manage its finances and took us through a challenging period which it did successfully. When Petrocaribe funds came on stream, the Government similarly used those resources to the benefit of the nation. And, if we find ourselves in a position where there are no Petrocaribe funds going forward, I have no doubt that this Prime Minister and this administration will again manage the resources available to it in a proper manner. So to my mind, Madam President, I feel that what is put forward is not a reflection of gloom and doom or stagnation or anything of the sort but really is a

reflection of a responsible Government recognizing what it has to work with and be prepared to work with that.

Just for clarity, I know that a comment was made on the tax on fuel. That is the only tax revenue increase we're seeing in the budget, but the Government being as responsible as it is, even within that, has seen it fit to only absorb 1/3 of the savings that the country has been experiencing and benefiting from with the reduction in oil prices in recent times and is leaving 2/3 with the consumer. So, as you look at what is happening overall, Madam President, it is my feeling that this budget is a further reflection of a responsible Government. And, just for clarity, the Senator for the business community had indicated that there was no mention of the dividends, I think, from the utility companies within the budget, but it is actually on page 13 of the draft estimates.

So, Madam President, I believe that this is a budget that I can support, and I feel that it is one that after looking at the projects the Government did not stop projects. The projects will continue. As you look in the budget and read it, and as so aptly listed by Senator Coy, the building of schools and the other things will continue. These are projects that, I believe, will continue to keep the economic going, and it may be at this juncture that a call may be made to the business community to enquire if the business community feels that they are doing their part and are we to continue to see the Government leading the charge in investments and projects within the country for it to work. It requires both Government and the private sector working together, and, I think, both must do their part. So, Madam President, I fully support the budget. Thank you.

SENATOR REV. A. ROCKE: Madam President, I rise to state the church's position on the General Revenue Appropriation (2016/2017) Bill, 2016. I want to as well recognize the presence of our returning Senator Courtenay. Welcome you! We trust that we will have meaningful discussions together.

With your indulgence, Madam President, may I use my notes? Thank you. Madam President, religion in the Caribbean not just Belize is an enduring institution and an integral part of our cultures cape. Besides the way it enriches the spiritual lives of religious people, it creates social space for communal fellowship and where useful friendships are formed. For the most part the scope or measure of authority for the church is largely in the realm of morals, family, righteousness, social issues and social ministry, etc. In light of this, the church finds it hard-pressed to guide the Government on matters relating to the budget, since public policy is the action taken by Government to address a particular issue affecting the public.

Notwithstanding therefore said, Madam President, it would be remiss of me not to cite, however, in Appendix A of the Draft Estimates of Revenue and Expenditure for Fiscal Year 2016/2017, the setting aside of some \$2.3 million primarily geared towards charitable funding. Instinctively, Madam President, in that charitable funding the church noticed, with interest, quite a few of the fundings were listed towards parachurch institutions, a good thing, no doubt, none however towards charitable distributions to the churches. For me to mention this,

Madam President, is not inconceivable since there was a line item indicating Government's support financially to the church. Interestingly that line item was discontinued, and that line item happened to be number 77 in Appendix A. In light of that then, we are calling on the Government to reinstate a charitable line, earmarked to assist churches.

Madam President, to justify our request, particularly in time of disaster while we have hope and pray for favour from our Government and we find we cannot always rely on the goodwill or the good grace of the Ministers to consider our request for help, I am impressed by the Minister of one area, of whom I will not mention at this time, who graciously went with his crew and assisted a pastor and his congregation in the complete renovation of their church facility after the flooding last year. Believe me, that said a lot to that congregation and to those people. Conversely though, Miss Madam President, I can also tell you of churches that begged and got no response, who also terribly needed some assistance to reface their buildings. If there was some facility set aside to assist our churches in time of disaster, I am sure most churches would welcome such a facility, an inclusion in assisting alongside the Government in time of disaster. Of course, Madam President, it would be left to Government to structure how such a facility could be equitably managed.

Madam President, since this is only a draft budget, we propose to our Government some measure of consideration to financially assist the churches in times of disaster. If there is any question as to whether this could be done or not there is a line item within Appendix A, line item No. 20 which is there marked "Social Assistance". In that particular line there is allocated \$434,004. Since we are considered a social identity, we are requesting for some of those funds to be allocated to us in an official capacity. After all, we are taxpayers as well, the churches.

Madam President, we offer a caveat to the Government, understanding the greater financial burden ahead of us borne on their shoulders, going into the new fiscal year. The churches are hopeful that fiscal prudence and due diligence will be the driving factor for sustainability as we approach our upcoming repayment debt of some \$400 million, including teachers' increase and \$300 million in Petrocaribe debt, together with BTL and BEL debt payment due to nationalization.

We also take note that almost half of the budget is allocated to what we consider a very good move on the part of the Government as it relates to education, national security and health. And we want to applaud the Government for that because those are sectors that are very important in our society at this time: education, national security and health.

In conclusion, Madam President, we feel it is nice to be invited to conferences or lectures or some official functions, to be asked to pray and perform other spiritual request. And we are honoured to do that, but we would hope that this is not how far that goes. That we would be seriously considered as an integral social partner, with a quantifying line item marked "Church" even in the

appendix. By so saying, Madam President, the church feels that this is a fair and honest budget. Much obliged.

SENATOR E. COURTENAY: Madam President, I rise to make my contribution to the debate on the General Revenue Appropriation (2016/2017) Bill, 2016. With your permission before doing so, I would like to acknowledge with gratitude the warm welcome from all Senators and members of the Staff of the National Assembly on my return to this Honourable Senate. As I discussed with Senator Hulse this morning, he confirmed to me that he is the longest serving Senator in history. I suspect I have the dishonour in being the most reappointed Senator in the history of this Honourable Senate.

Madam President, with your permission, may I refer to my notes and to read parts of my presentation. Every year, Madam President, this Honourable Senator debates the General Revenue Appropriation Bill and the accompanying measures. We subject the speech of the Honourable Minister of Finance, the Right Honourable Prime Minister, to very close scrutiny. And we do so mindful of our constitutional position, that is to say that we have no right to stop a money Bill and that is as it should be, since we are still appointed and not yet elected.

Madam President, we perform this important role because we don't meet simply to exchange pleasantries or to assail each other across the divide. But what we are obliged to do is to subject the plans and the programs, the fiscal and monetary projections and estimates of the Government for the next fiscal year, not only to an analysis from a political party which we proudly represent but also members of civil society, the churches, the unions and the business community.

And so today we on this side of the Senate, having examined the Estimates for Revenue and Expenditure for the year 2016/2017, and having read and studied the budget speech of the Rt. Honourable Prime Minister and Minister of Finance, are obliged to declare that it is the single most uninspiring, underwhelming, soporific budget speech ever read by the Rt. Honourable Prime Minister. Madam President, from a man known for his eloquence, the budget is bereft of the usual rhetorical flourishes. There are no beautiful turns of phrases. There are no calls to Prometheus. In fact, what we have is a boring, sleep inducing peroration that would be regarded as merely passable by a rookie Minister of Finance and not a ninth budget speech.

You see, Madam President, the Rt. Honourable Prime Minister told us, and I quote, that "This is the inaugural budget in the recently won, historic, third consecutive term of the UDP Administration". According to him, this is the budget from those who proclaim that the best is yet to come. With this in mind, Madam President, one would have expected the Prime Minister would have come to the nation flushed and boosted with his new mandate, with a bold and visionary plan to reenergize the Belizean economy. We anticipated that we would have been offered an economic prescription to stimulate growth and foster job creation. But

no! Instead we were presented with an insipid budget, one that offers no hope, no design, no new developmental damask, instead what we have is a budget that is centered on a \$50-million-tax *bukut*. Madam President, the fact is, as has been said by those who spoke before me, that there is nothing in the budget that provides a credible policy response to the United Democratic Party induced recession that Belize is experiencing. There is no hope, there is no plan, and there is no strategy. And, yes, the UDP won the election, but they have lost the will. They have lost the ability to govern. Indeed, what we have is a lame duck Prime Minister whose Ministers, starting with his first deputy who is already abandoning the ship.

Madam President, we do not support the budget for the fiscal year 2016/2017 as presented. It was concocted in the confines of the Cabinet room. There has been absolutely no consultation with persons and organizations outside the Cabinet. And we condemn the Government for preparing a budget like that. By its design the budget sets out to impose an unduly harsh tax burden, and that is wrong. It fails to offer the private sector any incentive for new investments, and that is wrong, Madam President. The budget has no serious job creation strategy, and that is also wrong, Madam President. Regrettably the budget has failed to respond to the enormity of the challenge we face with the appropriate policy responses.

Characteristic of his style, the Leader of the Opposition, the Honourable John Briceño, held widespread consultations with organizations and persons throughout Belize regarding this proposed budget. And, Madam President, we are here to say that the Belizean people are deeply concerned by the budget proposals and, rightly so, no tax relief, no new job creation plan, just taxes. And I pause to remark, it is noteworthy the eloquent plea for consultation from the Honourable Senator Smith, the plea for consultation from the Honourable Senator Rocke, the plea for consultation from the Honourable Senator Lizarraga. Madam President, these are not voices in the wilderness. Indeed, and, in fact, these are the social partners, the movers and shakers, the builders of the Belizean economy who feel entirely and completely left out of the budgetary process. We condemn it. We criticize it as wrong. This is the budget of this country, not the budget of the United Democratic Party. (Applause)

But, Madam President, as I listened to my very good friend, Senator Duncan, I am reminded of one of the often employed, in fact, one of the addictions of the United Democratic Party, when confronted with the failure of the UDP. What do they do? They look to the past and say, "It's the PUP's fault". Everything that is bad, it's the PUP's fault; everything that is good, the UDP did it. Well, Madam President, the days of blaming the PUP are over. The UDP record is now before us. Last year the Rt. Honourable Minister of Finance sought and obtained approval from the National Assembly for a projected primary deficit of 0.8% of GDP. In fact, he has now confessed that the primary deficit for 2015/2016 was 2.47%. When one looks at the overall deficit, the Government told this Honourable House that the projected overall deficit was going to be 2.52%. In fact, it turns out to be actually 5.1%. Madam President, that is a clear record of UDP financial and budgetary mismanagement and irresponsibility that borders on

a scandal. As you would know, international standards suggest that an overall deficit that exceeds 3% is cause for serious concern. Last year the United Democratic Party Government so mismanaged public finances that the overall deficit approached two times that benchmark. We ask two questions. Did the Minister of Finance deliberately underestimate the deficit last year when he proposed the budget? Or did the Minister of Finance through unrivaled incompetence simply mismanaged the budget? Either way, an overall deficit of 5.1% is a badge of dishonour and failure that is worn solely by the United Democratic Party.

We say something is radical wrong, Madam President, when a Government budgets a primary surplus of \$3 million for 2015/2016 and ends up with a deficit of \$88 million. We say that something is seriously wrong when the Minister of Finance estimates that the overall deficit for 2016/2017 will be \$88 million and then ends up with a deficit of \$180 million. In the 2015/2016 budget, the Prime Minister estimated that the economy would grow by 2.5%. Instead it grew by 1.4%. We say, something is very wrong with this type of budgeting. When there is such a substantial disparity between what is budgeted and the actual outturns, we have to seriously question the integrity of the budgetary process. And this is why, Madam President, the need for consultation is absolutely essential when budgets are being prepared so that they can be realistic and they cannot look rosy in the run-up to elections, and then after being reelected you come with an honest budget that presents a picture of a sick economy and a broke Government.

Madam President, accepting, as we on this side do, that we have a Government that has mismanaged its budget and wildly spent the Petrocaribe bonanza, drastic corrective measures are now required. Action is needed now, Madam President. The records reflect that over the decade, 2004 to 2014, the Belizean economy grew at an average rate of 2.65%. This hardly kept pace with the population growth. In 2015, the economy grew by approximately 1.2% or 1.4%. Instead of growing faster, the economy has slowed and slowed dramatically. Lack of economic growth is having a deleterious effect on the rate of poverty in Belize, a figure highlighted by the Honourable Senator Smith by 43.1%. But we ask the question, what is the effect of this economic slowdown on our national debt? The UDP Government has caused our national debt to balloon to approximately \$2.3 billion at the end of 2015. Based on the projections in this year's budget, Belize will owe approximately \$2.8 billion by the end of the current fiscal year. Mr. President, that means that we will have a debt-to-GDP ratio of nearly 80%. But even this is an estimate, as we still do not know what the final award will be by the arbitrators who are adjudicating on the nationalization of Belize Telemedia Limited. The Government has suggested that the amount may be approximately \$200 million, but it is distinctively possible that the figure will be higher.

Mr. President, the Government in its budget has failed to deploy or to present any fiscal or monetary policy or two to address this serious situation. A debt-to-GDP ratio of 80% is unsustainable. The position we face was captured succinctly in an illuminated paper entitled "Rekindling Economic Growth in

Belize” by IDB economist, Mr. Dougal Martin. That paper is dated June 2015. Referring to 2015/2016, he wrote, “Economic growth is decisive for debt sustainability. Under the fiscal stance projected in the Budget Speech for 2015/2016 and real GDP growth at current levels, 2.5% per annum, the debt-to-GDP ratio would barely decline over the medium term. However, if the GDP growth instead averages 5% per annum, purely the denominator effect of dividing debt by a larger GDP would cut the debt-to-GDP ratio to 72% by 2025, instead of 92%. If, in addition, all the benefits of a faster growth of government revenues are saved and translate into a higher primary surplus, the debt-to-GDP ratio would be only 39% by 2025.” It is clear to us on this side of this Honourable House that the Government has not heeded this advice. Based on the current estimates for 2016/2017, it appears that we will move towards a debt-to-GDP ratio of nearly 92% in the coming decade.

We call on the Government, Mr. President, which is quite happy to present Supplementary Appropriation Bills in the course of each fiscal year to revisit the budget that we are now debating. This will enable the Government to design new policies that will enable the private sector to grow and to grow rapidly. To solidify this point, I quote again from Mr. Martin’s paper, “As in most countries, investment fell sharply in Belize in 2009”, and I remember he is writing in 2015. He says, “It has not yet recovered to the levels prior to the global financial crisis. Fixed capital formation or investment was only 17.5% of GDP on average from 2010 to 2013. Central government capital expenditures amounted to approximately 4.6% of GDP in that period, which implies that private sector investment was equivalent to 13% of GDP. Furthermore, since foreign direct investment was equivalent to nearly 8% of GDP from 2010 to 2013, investment by the Belizean domestic private sector may have been as low as between 5% to 10% of GDP. This investment rate is too low to support a faster rate of economic growth and underlines the importance of identifying the constraints to private investment.” Mr. Martin continued, “Belize’s economy must grow at least 5% in real terms per annum to stabilize living standards at 8.7% of the US level. If economic growth were to continue at the rate of 2.5% and we are now growing at 1.4%, the Belizean GDP per capital would decline to 7.6% of the US level by 2020”. Mr. President, it is clear that without dramatic policy changes by the Government we risk a real erosion in the quality of life for all Belizeans.

It is regrettable that in his budget speech in which the Prime Minister had 24 pages he only devoted 1 single paragraph to the state of the productive sector, 24 pages and 1 paragraph to the productive sector! The primary sector, Mr. President, is expected to contract in this fiscal year, according to the Prime Minister, and the secondary sector to flat line. But we all know that because the Statistical Institute of Belize spells out the disastrous state of our economy. Exports for January 2016 are down 29.5%; marine exports shrunk by 79%; and banana exports shrunk by 34%. We had a historic drought, Mr. President, which the impact of that drought is estimated to have been BZ\$30 million, and not a single proposal for relief is included in the budget for those farmers. Sale of orange concentrate shrunk by 30%, and added to that we know that Fruta Bomba is now packing up and leaving.

I echo what has been said by Senator Lizarraga, what has the Government offered the private sector by way of relief? The answer is nothing. What has the Government proposed by way of new incentives to attract investment? Absolutely nothing! Mr. President, we on this side find this absolutely and completely unacceptable. The private sector has repeatedly called for a reform of the tax regime. It is estimated that 93% of the countries around the world have taxation levels with less impact incentives to work and to invest than Belize. Studies reveal that the private sector regards the tax burden as onerous and unevenly shared with significant evasion and underreporting. Looking a bit closer at the figures it is easy to understand why the private sector feels overtaxed, why the productive sector repeatedly complains that the tax regime is frontloaded and anti-investment.

Let us take a look, for example, at import duties. In 2015/2016, the projected outturn is \$195,008,000. But the Government projects that in the current or the upcoming fiscal year they want to increase the collection of import duties to \$250,442,000. That is an increase of \$55.4 million or 28.4% increase on the import duties collection. Mr. President, that hits the productive sector directly and upfront. Let us look at environmental tax. From 2015 to 2016, the projected outturn is \$23,570,560. The Government projects the increase collection of environmental tax to \$29,249,959, an increase of \$5.7 million or a 24% increase in revenue from environmental tax. That directly impacts the productive sector upfront.

We can see that the budget projects an increase in GST collection by 5% an additional \$13.6 million. But, Mr. President, whilst the Government seeks to suck more than \$75 million in tax dollars from the private sector and Belizean business persons, the Department of General Sales Tax reports, and this is alarming, that there are 610 tax assessments outstanding for 2 years or more. And, more than that, it is downright scandalous that there is \$27,500,211.71 in GST outstanding for more than 2 years, more than \$27 million, Mr. President. How can a Government come with a clear conscience and impose an additional \$50 million in taxes from fuel, seek to collect an additional \$75 million from import duty, environmental tax and GST and have more than \$27 million outstanding in GST for more than 2 years?

I am, again, constraint, Mr. President, to quote from the IDB paper. “The binding constraint to economic growth in Belize is a longstanding and unintentional, anti-export bias of public policies. The most important aspect of the anti-export bias is the tax and trade policy framework which skews incentives against exports. High trade taxes not only constitute a barrier to profitability and private investment, but they also impede investment in relatively desirable activities more than any other activities. Success in rekindling economic growth will depend upon success in boosting exports. In concrete terms, achieving 5% GDP growth will likely require a real growth of exports of goods and services in excess of 5% per annum. Growth must be led by exports. In addition to the all-important tourism sector, the small but dynamic BPO sector could play a useful complementary role in the area of services exports.”

Mr. Martin said, “However, it is hard to foresee a vibrant growth of exports of goods and services and GDP without a sharp improvement in the performance of non-traditional agricultural exports. All exports sectors require the reduction of the anti-export bias. Export promotion should become a central element of public policy. Important objectives should include switching to less distortionary means of raising revenue”, the Government seems not to have understood that, “in particular shifting the tax burden from taxes on inputs to production to consumption taxes, and greatly simplifying the trade and tax system for both users and administrators”.

Mr. President, we on this side of the House call on the Government to wheel and come again. There are clear policy steps and initiatives that are required and must be taken to recharge the Belizean economy. The private sector demands a new and different tax regime that will promote investment and export. This 2016/2017 budget has nothing in it that will stimulate growth. To those who say that the best is yet to come, we say come better than this.

We would like to salute, Mr. President, the Belize Defense Force and, indeed, all security forces for their resolute defense of Belize. I wish to particularly congratulate the Belize Police Department for their very active and community oriented approach to an extremely difficult task of fighting crime. The additional expenditures identified by the Honourable Minister of National Security during the budget debate in the other place are welcome. We strongly urge that every effort be made to find additional resources to equip and arm the Belize Defense Force which is desperately short of equipment, arms and ammunition. We also support the call for doubling in the size of the Belize Defense Force. And we are not unmindful, Mr. President, of the attendant cost, but no price can be put on the defense of our land and seas. The increase in the National Security budget from \$129 million to \$149 million is not enough. We have repeatedly made the point that our forests are being plundered and our waters in southern Belize are being raped. Guatemala has now adopted an aggressive posture towards Sarstoon and by extension towards Belize. The assault on our nation state demands a budget allocation that meets these challenges head on. Specifically there is a pressing need in the upcoming financial year to install additional posts along the border to prevent additional illegal settlements and plundering. This is not too much to ask. Failure to do so is a price too much to pay.

Mr. President, we have call for a recalibration of our relations with Guatemala, especially since apparently there is no prospect of settling the referendum any time soon. Regrettably the budget of the Ministry of Foreign Affairs does not reflect an awareness or appreciation of the urgent need to internationalize our cause, to press our diplomats into focus and urgent service on the vital issue of Belizean sovereignty. I am struck by the fact that the Ministry of Foreign Affairs has listed a new office building as its primary objective for the upcoming financial year. Mr. President, that constitutes a failure to appreciate the threat we face and the responsibility that that Ministry bears in this regard.

Before closing, Mr. President, I am compelled to draw attention to the

serious failure by this Government when it comes to attracting foreign direct investment. Whilst the budget for the Ministry of Economic Development, Petroleum Investment, Trade and Commerce shows a significant increase, it is noteworthy that the increase is not geared to attracting or facilitating investment or to developing market access or trade negotiations. We have already made the point that achieving significant economic growth is the most critical element for true development. There is no proper focus on this in the current budget. For the year under review, Mr. President, 2015/2016, the statistics from that Ministry shows that 166 potential foreign direct investors were engaged by Beltraide. Of these 166 potential investors, only 20 investors visited Belize, 12%. Beltraide negotiated 22 investment deals. However, only 13 of these agreements were concluded. And the value placed on these investments were \$56 million, just over an average of \$4 million for each of the concluded agreements. When one looks at the small enterprise promotion and development, we see that there were only 25 new businesses established in 2015/2016. No one should rejoice when this record is reviewed.

We highlight it, Mr. President, to call on the Government to allocate more resources to Beltraide in order to attract and stimulate more investment and economic activity, and in this regard we suggest 2 important measures. Our consultations have confirmed that many businesses, small, medium and large, are struggling. And I am sure the two banker Senators sitting on the opposite side would accept and recognize that businesses are struggling. Whilst the Government has not seen it fit to provide new fiscal measures to assist them, we suggest a modern Companies Act, and modern insolvency legislation ought to be passed in the upcoming fiscal year. These two pieces of legislation can shift the paradigm in the business community. Together they would allow businesses and banks and other financial institutions the breathing space to weather the current economic storm.

In concluding, Mr. President, we on this side do not support the budget. The budget has failed to provide any relief to the hardworking men and women of Belize, except for the long overdue salary adjustment for public officers and teachers. The budget has failed to introduce any fiscal or monetary measures that would stimulate investment and promote economic growth. The budget has failed to allocate sufficient resources to meet the challenges presented by an aggressive Guatemala and the continued illegal activities in the border areas and in our southern waters. In simple terms, Mr. President, the budget lacks vision, offers no hope and doesn't offer Belizeans the prospect of a better tomorrow. It is clear to me, Mr. President, that under the UDP the best will never come. I thank you.

SENATOR F. BURNS: Mr. President, I rise today to indicate my support for the General Revenue Appropriation (2016/2017) Bill, 2016. Firstly, however, please allow me to welcome our Senator on the other side, who was already my colleague in the legal fraternity and now my colleague here in the Senate, and also to Senator Woods and Senator Thompson, who I don't believe I had the pleasure of welcoming previously.

Likewise, I would crave your indulgence to refer to my notes. Mr.

President, I believe that the proposed budget reflects the continued development and transformation seen in Belize since 2008, when the present administration came to form the Government. This development can be seen countrywide from north to south. It is not localized, and it is spread out. We can see this from the rehabilitation of our highways to the construction of impressive sporting facilities, the continued improvements to our education system, focus on improving our health care system and the emphasis placed on the national security of Belize which is a concern to all citizens.

With a still fairly new budget format, this administration has increasingly shown its commitment to transparency and accountability to our Belizean people. There are three main areas that were highlighted where the bulk of the increase in current expenditure is seen. I will focus on these for the moment. These areas are, I believe, a reflection of the Government's stance on those issues and areas of concern raised by our citizens. This Government's commitment to address the same shows the seriousness with which this administration is treating these issues and concerns. One such concern is the Belize/Guatemala issue. As we all know, it is important to us all. The sovereignty and national security of our country is a primary focus of this Government. An increase in human resources in both the Coast Guard and our Police Department can only be a step forward and enhancement and a measure to protect our country and our people. Therefore, I am in full support of that position which the Government has taken to allot these resources to the Ministry of National Security.

Our education system has continuously been given the importance and recognition that it requires, but a large portion of our population consisting of young people and those of age still in schools and other educational institutions. The focus is clearly on the growth and development of the future of this country. A country does not exist on its own. It is not merely buildings and land. It is consisted of its people, and focus on the growth and development of our people is also a primary focus of this budget. Belize can look forward to a people with a higher standard of education, to continue to move us forward, to continue the development. This is, of course, made possible through our teachers, our educators, our leaders and the persons who are bringing this new level of education to our young people. I support the move by this Government to place financial emphasis in this regard.

Likewise, in health care we can bear witness to the direction of the Government with respect to improving accessibility to health care services, overall advancement of those services and being proactive in our approach to the provision of same to the people of Belize.

Overall throughout all the line Ministries, I believe, that we can clearly see where the expenditure of this budget will be placed and where the activities and other projects will be developed. It will be brought back to this House to our quarterly reports, and we will then have another opportunity to digest these figures. And with that said, Mr. President, I would, once again, like to reiterate my full support for this Bill. I thank you.

SENATOR P. THOMPSON: I rise to make my contribution this afternoon in regard to this General Revenue Appropriation (2016/2017) Bill, 2016. Mr. President, I ask for your permission to refer to my notes. Mr. President, our role in this Upper House, our role, as Senators, must be to engage in a search for truth in the public interest of Belize and our fellow citizens. This budget Bill like any other is a statement on the economy of our beloved nation. Governments always try, even in the worst of times, to paint the brightest picture possible. That is understandable. When all is said and done, the budget, therefore, is nothing more than our current Government's perspective on the current state of economy. A thorough assessment of this 2016/2017 budget before us by any honest and sober person, any person without fear of exposing the emperor's new clothes, any person with the integrity to not sing for their supper, would result in serious apprehension, outright consternation and deserved trepidation.

For me and the numerous citizens, the ordinary Belizeans I have encountered over the last week since the budget went through its reading, this budget clearly and unmistakably signals a very troubling time for our country. While you may say my statement comes from a position of bias, my bias is not solely because I am an Opposition Senator but more so because I am a father to two young daughters. I concede full responsibility for that personal bias for it is their future and those of all the children and youth of our country who will form the next generation that I am passionately concerned about. The decisions we make today about the overall finances of our country have long-term impacts for our country, for our children. I am sure we will all agree that our children deserve the very best. We must do right by them, and I therefore ask, what kind of country do we wish for our children to inherit from us?

Mr. President, with due respect to all parliamentarians, I believe our reviews of these budgets year in year out tend to be narrow, focusing only on one year at a time, without any consideration of the big picture, without any reference to the future, without any clear connections to our goals and aspirations as a country. Our political leaders are entrusted to set a vision for our country, to set a plan with goals and objectives for the development of our country, and then align those national aspirations with programs and public policy decisions like those in this budget Bill, to ensure success and achievement. The presence of Dr. Barnett across the aisle reminds me of the good work of the Horizon 2030 Project which supposedly determined those goals. That work was done way back in 2010 and since then we have not heard much about it. Perhaps, Dr. Barnett can enlighten us as to whether that report is, indeed, just sitting on a shelf catching dust. A check of at least the last four budget speeches from the Prime Minister shows not a single reference to that project nor any of those goals. Indeed, I dare say that this year's budget speech had not even a single instance or mention of any long term objective as it relates to our nations development.

Mr. President, in less than six months from today Belize will become 35 years old. While we are certainly still considered a developing nation, it is for certain that we have been masters of our own destiny for long enough now. Regrettably at this point in our country's life, we are known in the world for things more negative than those that are positive: top 5 in the world's most violent

countries; top 10 of the world's most likely countries to default on debt; our seeming refusal to sign on to the UN Convention Against Corruption Act; our label as a narcotics and money laundering haven; our seeming reluctance to sign on to the Factor Intergovernmental Agreement leading to the derisking of our commercial banks, and maybe Senator Duncan can enlighten me later; and our consistent decline in the UN's Human Development Index are just some of the negative monikers that we unfortunately wear today. I could go on. Most of these problems are self-inflicted. But more importantly there are other challenges facing us, big ones such as climate change, global economic competition and, of course, challenges to our territorial sovereignty, which we must face head on or reconcile the consequences in the years to come.

Mr. President, looking back at our economy over the last 40 years there has been arguably very little structural change in the makeup and drivers of our economy. This has led to inconsistent economic growth patterns with varying periods of exhilaration and then deceleration, all dependent on global, economic conditions. The lack of a diverse economy severely exposes us to these ups and downs and has been a binding constraint to long-term sustainable economic growth. The Belize economy therefore remains quite small. Comparing nations in the English speaking Caribbean, while having much less natural resources, have much larger and more developed economies. Barbados, for example, has a GDP of US\$4.5 billion with a population of 330,000 people. The Bahamas has a GDP of US\$8.5 billion with a population of 370,000 people. Our GDP is BZ\$3.6 billion and last reported population is a little bit above 350,000 people.

Unlike larger economies where both market forces and Government actions guide the economy and commerce, smaller economies are subjected to a high level of government intervention, much akin to a command economy rather than a mixed economy. The public and economic policy decisions of a government in our country such as ours are therefore of major importance. Total government spending is projected to be \$1.2 billion for this projected budget which represents a third of our GDP. In other words, for every dollar in our economy the Government accounts for 33 cents, one of the highest ratios in this region.

Regrettably, governments after governments in our country have not made earnest attempts to draw line in the sand and address the structural problems in our country, in our economy. We've continued to knock our heads against proverbial wall placing politics, cronyism and corruption ahead of a concrete development agenda. Such a development agenda would see major investment in human capital, satisfying basic human rights such as access to education, health care and employment, putting our citizens at the center of our economy. This is the only way to drive real economic growth, by investing in our people, by investing in human capital.

Our dependency on borrowed funds, our declining export basket, our reliance on outdated economic models in our agriculture sector, and our lack of manufacturing industries place our economy on tender hooks for years to come. We must address these matters right away. Our sugar cane farmers immediately

after the General Elections in November were slapped in the face with a price reduction. This highlighted once again the need for a paradigm shift in our agricultural models. For decades our sugar production has been one of bulk shipment which exposes our output to quotas and the unpredictability of bulk commodity marketing prices. We must implement new approaches such as value adding in the production and refinement of premium special sugars for sale to niche markets. Such an initiative would guarantee price stability, significantly raise the revenue per acre of cane for our farmers and increase export revenue on whole for our country. But our exports today are on the decline, Mr. President. Did you know that the value of our exports per capita in 2015 is at the same level as it was 40 years ago in 1975. Again, Mr. President, this underscores my point about lack of vision and creativity and the need to forge a new economic reality for our country.

Over the last years the Government's political-centric approach to management of our economy saw three general elections and many more included between those three, excessive borrowing and expenditure investments that will never generate long-term economic growth. The self-build hallmarks of the Government over the last 8 years have been the nationalization of the telecoms and electric utility companies, which have ultimately been financed from Petrocaribe funds, and the purported infrastructure development which was also financed from borrowed funds. But the question is, have these initiatives brought any benefit to the economy and by extension to the ordinary Belizeans?

The Prime Minister indicated in his budget speech that the book value of BTL and BEL is some \$300 million. Considering what has already been paid to the former shareholders and what is anticipated to be paid in the next few months via outstanding arbitration settlement, the total we will expend for both acquisitions, including the hefty legal fees, will be in excess of \$450 million. This computes to a capital loss of some \$150 million in the name of Belize. Equally important is that the forecasted revenues indicate a return of only \$8 million per year in dividends from these companies. I am no finance expert, Mr. President, but \$8 million in returns on a \$450-million investment computes to a return on investment of a paltry 1.75%. If the cost of capital or interest on borrowed funds used to make this investment is taken into account, the returns become even more insignificant. Our telephone and internet rates remain the most expensive in the region, and the service from the state-owned BTL remains mediocre. One thing is for sure though; the young well-connected executive chairman is having a ball chasing its dreams of becoming the next Mark Zuckerberg while the people of Belize and our children will have to pick up the tab for years to come. You see, Mr. President, it is a challenge to convince the general public the economy is improving and life will get better when everything the ordinary Belizean sees and feel says otherwise.

Now, Mr. President, let me turn to the infrastructure works, and for this one I will speak very specifically. BIL, Mr. President, Belize Infrastructure Limited, a private company owned by Government set up to construct sporting facilities across the country. The Prime Minister in its budget speech said, when speaking about Petrocaribe and money spent on sporting facilities, he said that

this is the finest development hour, that money was spent so wisely and so well. Money was spent well, yes, but wisely, I would have to differ. I will redo a piece written by Dr. Juan from San Ignacio. His piece is entitled “Fix Falcon Field Folly”, and it’s all over the public domain. “As much as I applaud the Government of Belize for the huge investment they have made in sporting facilities and infrastructure in the country, via BIL, I am disheartened by the quality of basketball facilities that are being constructed. I am writing as a basketball enthusiast, who has been involved with basketball at all levels in the country of Belize. Given that I live in San Ignacio, I will speak solely about the basketball court that was built at Falcon Field. I cannot question the aesthetics of the structure but can surely question the purpose of the building. Any basketball court that has an overhead covering should be built as a weather proof facility that is accessible when it rains. At Falcon Field, however, everyone refers to our building as a ‘dry weather court’ because just a small drizzle gets the playing court wet, not to mention a rain. It is frustrating that the engineering and architectural designers could not factor in that very elementary component. We are presently having our annual BECOL tournament, and every time it rains we need to sweep and dry the court, if not, postpone the games. I am disappointed that no one was consulted from the basketball community, and when informal consultations were made, none of the suggestions were implemented. The facility only has two rows of bleachers, only 5 lights and no electrical outlets. The direction of the court was placed East-West instead of North-South, not factoring the rising and setting of the sun, and its effects on the players when shooting. The basketball rims are not flexible rims, and the backboards are poorly mounted. Our biggest frustration is that the structure we had before had better lighting, better bleachers, better rims, better team benches, better backboards, and it had two basketball courts,” not one that was built. “After investing almost \$1 million in this structure, I am sure that we could have received a more suitable and equipped facility to serve our basketball community. With all that being said, the basketball community in San Ignacio Town is still hopeful that the shortcomings of the basketball facility at Falcon Field can be rectified. We humbly ask that awnings be placed on the four sides of the structure to keep the court dry when it rains. We humbly ask that additional bleachers be installed for basketball fans and that better lighting be available. We are also requesting that the backboards and the rims be replaced with fiber glass transparent backboards, with a pair of flexible basketball rims. After so much money has been invested at Falcon Field, it is prudent that BIL rectifies the shortcomings of the facility to better serve our basketball community.” Let me just make this very clear, Dr. Juan is not a PUP supporter.

You see, Mr. President, BIL is flawed from its inception. It is a rubberstamp for the Cabinet. Each municipality was earmarked \$5 million. Design concept for what was to be done had to come from Areas Representatives or caretakers of these areas or municipalities. This meant that the board of BIL had nothing to do with what is being constructed. Ministers and caretakers decided on their own what to construct. Another reason that I say BIL is flawed, Mr. President, is that, when it was time to select contractors to build these facilities, contractors were always shortlisted. The Ministers or caretakers for the

area would make recommendations for three contractors. Of course, the Ministers will select familiar contractors. This is what you called a Government that believes in short listing, Mr. President. This is common practice. I dare someone from the Government to dispute what I just said because, if you do or if they do, I know they are being disingenuous. Is this what we refer to as probity?

Staying on the topic of sports, Mr. President, the Marion Jones stadium, \$4.5 million was budgeted this year. I would like to give a brief history of the Marion Jones stadium, Mr. President. In 2008, when the UDP came into office, a dedicated basketball arena was already set to be built at the Marion Jones stadium. Some \$12 million was contributed by the Republic of China (Taiwan) and Venezuela, US\$5 million from Taiwan and US\$1 million from Venezuela. A newly formed Cabinet in their wisdom decided to reprogram these funds, to build what we see now, this big white elephant.

On August 17, 2009, the Prime Minister Dean Barrow, on the steps of the old Civic Center in jubilation after Belize won silver medal in the COCABA games in Cancun, promised a state-of-the-art dedicated basketball arena to the country. It has been 7 years now, and finally we welcome that ground has been broken for this arena. Now, as the representative for basketball for Belize, we have not seen these plans for this stadium although we were promised on numerous occasions. Seven years, Mr. President, that is a generation of basketball and volleyball players with no home, nowhere to showcase their physical abilities, a generation lost, one generation of young men whose path is from the cradle to Kolbe. Roderick Williams, national team player from age 12 to age 16, was shot 2 years ago while going home one evening, a case of mistaken identity. If we had a safe place for him to play, maybe he would have been there playing or competing. In the current national elite basketball league, Roderick is only a fan, his playing career cut short by bullets. And I have to say the UDPs are responsible for a generation of athletes that are lost. The grand total for this new arena we heard is \$32 million. I am not sure what we are getting, but it better be damn good with all the bells and whistles because our neighbor a few hours away in Cancun built a state-of-the-art stadium in 2008 for only BZ\$16 million. You see, Mr. President, this is a big deal for us ordinary folks, the ordinary folks who have lost their faith in leadership. I am sure that a random sampling of public opinion would reveal that our political leaders are perceived as functioning primarily in their own interest and doing little for the ordinary citizens who believe he or she matters at election time when his or her vote counts.

At the microeconomic level of our economy which shows how individuals, households and businesses are doing, this budget offers little hope of any short-term improvement in their trying circumstances. The new gasoline tax measures only add to that pressure. At the macroeconomic level, dwindling exports, now focus on new industries such as manufacturing, no incentives for new investment, no long-term planning, ballooning debt and a debt service requirement, and the impact of the banking prices all foretells major trouble on the horizon for our jewel and its citizens. The sacrifices have been burdensome for the average citizen and businesses in the last few years. Poverty, truancy and foreclosures are at their highest level. Despair, hopelessness and gloom pervades

the lives of so many of our excluded citizens, who cannot afford the basic necessities nor send their children to school. Inequality and victimization are creating social classes amongst our people. Is this the Belize we wish to leave for our children? I therefore cannot support this budget, Mr. President. Thank you.

SENATOR A. SALAZAR: Mr. President, I wish to welcome Senator Courtenay as well, as others have done. I don't think that I can welcome him to the Senate since he is a veteran Senator, but I can say, welcome to this session.

Further to Standing Order 33(6), I seek your leave, Mr. President, to read parts of my speech. Mr. President, as I rise to make my contribution today, I am guided by section 78 of the Constitution which rightfully restricts the powers of the Senate on money Bills. I support this budget, as it seeks to anchor our economy with stability in a time of change. A highlight of this budget is its demonstration of this administration's firm commitment to keeping its bargain with public officers by completing the cycle of salary increases, despite of what is being predicted by most experts as trying economic times ahead for the region. Despite these regional challenges, which I will come to highlight a little, this budget seeks to keep our economy on track for growth, modest as it may be but growth nonetheless.

In keeping with its resolution for stability, this budget seeks to generate the additional revenue required only from one fiscal adjustment to fuel and nothing else, despite the call by many technocrats for adjustments to our GST scheme. With deference to the constitutional provision I previously mentioned, Mr. President, my aim today is not to get into the nitty-gritty of the budget. As we have seen and heard over the past few weeks, it is very easy to sift through its pages with a mind intent on criticism and find something or the other in there to complain about. I have listened intently over the past few weeks to individuals attacking this budget and the Government's policies in general. Mr. President, I must confess that most remarks grew quite tiresome because I know that those remarks are simply not based on facts. It is particularly distressing because many of those comments are paraded in some elements of the media as facts. Mr. President, I've come here today determined to assist the public in separating fact from fiction. It is my intent to demonstrate to Belizeans how through years of prudent management exemplified in budgets such as this before us today that these administration's policies have served us well and will continue to do so in this fiscal year.

I will start with what is the most basic and general criticism that's thrown about in relation to this budget and of the Government's management of the economy in general. This one generally appeared when Opposition personalities had an opportunity to address the state of our economy. More often than not those statements are uncorroborated. In order to demonstrate what is actually fact, I will ask for your kind indulgence, Mr. President, in a comparison with the economies of our sister countries, in our economic integration and cooperation movement, CARICOM. I will examine the GDP annual growth by percentage for the period 2011/2014. Mr. President, these figures are taken directly from the World Bank website. So let's start with Belize. In 2011, growth was 2.1%; 2012, it was 3.8%;

in 2013, it was 1.5%; and in 2014, it was 3.6%.

Senator Thompson took it upon himself to compare us to Barbados. So let's look at the figures for Barbados throughout that period as they compare with Belize. In 2011, when we had 2.1% growth, they had 0.7%. In 2012, when we had 3.8%, they had 0.3%. In 2013, when we had 1.5% growth, they had absolutely no growth. In 2014, when Belize had 3.6% growth, Barbados had 0.2%. St. Lucia in 2011, they had 0.7% growth; 2012, there was no growth, in fact, the economy stagnated by 1.1%; 2013, it grew 0.1%; and in 2014, it was 0.5%. In Trinidad and Tobago, over the same period there was, in 2011, no growth; 2012, it was 1.4%; 2013, it was 1.7%; and 2014, it was 0.8%. In Jamaica, over the same period growth, in 2011, was 1.7%. There was recession in 2012. In 2013, there was 0.5% growth; and in 2014, there was 0.7% growth.

Now, when we look at these figures, Mr. President, it is obvious that the economy is being prudently managed and that we have been doing better than our neighbors have, despite the fact that our growth has been modest, despite the fact that we have not had record growth. The fact is and the proof is in the pudding. We have been doing better than our neighbors have, and this is no coincidence, Mr. President.

Again, in order to confront this unwarranted criticism head on, I wish to highlight another major economic indicator to buttress my position. By looking at our annual percentage change in inflation, we can clearly see the impact of these administration's policies, and in order to do so, Mr. President, I would like to go as far back as 2001. In 2001, the annual percentage change in inflation was 1.1%; in 2002, it was 2.2%; in 2003, it was 2.6%; in 2004, it was 3.1%; in 2005, it was 3.7%; in 2006, it was 4.2%; in 2007, it was 2.3%; and in 2008, Mr. President, it was 6.4%. Now, commencing in 2010, the annual percentage change in inflation, remember in 2008 it was 6.4%, in 2010, it was 0.9%. In 2011, it was 1.7%. In 2012, it was 1.3%. In 2013, it was 0.5%. In 2014, it was 1%. So we can see, Mr. President, the marked difference in the levels of inflation from one period to the next. This budget, Mr. President, is aimed at continuing our modest growth, stabilizing our economy in these difficult times and moving the country forward. An examination of the past trends makes it abundantly clear that the sagacious management of the economy has paid dividends. Now, Mr. Speaker, I know we have had, sorry, Mr. President. Please note that that is no indication of any ambition whatsoever. It's due to something else.

MR. PRESIDENT: That's quite okay, Senator Salazar.

SENATOR A. SALAZAR: Mr. President, I apologize. Mr. President, I wish to point out that the examination of these trends is not that we want to point the finger at the last administration and say, "Oh, we are doing," as what has been mentioned, that those of us on this side have an addiction to pointing to the past and to what has happened in the past. But in order to answer the criticism and the general statement that somehow we are doing worse, Mr. President, it is necessary for us to compare these trends.

This brings me now to the second and perhaps the most pervasive and misguided criticism of this budget which is that of the necessary increase of the Government's revenue from the sale of fuel. The Government is seeking to address a difficult position with a singular adjustment to its revenue. This move has been isolated by naysayers and critics for much vitriolic grandstanding. The reality is, Mr. President, that it has arisen only because it is an absolute necessity in order to allow the Government to keep our economy stable and to maintain a course for modest growth. Mr. President, as I have stated, these are, indeed, difficult times for our Caribbean economies. For us in Belize there is no more oil boon as there was in 2006. Our ability to access concessionary financing destined for the Government's unprecedented infrastructural development policies has been hampered significantly.

In Trinidad and Tobago, Mr. President, Colin Chow, Executive Chairman of Ernst and Young Caribbean, speaking on the 2016 Trinidad and Tobago budget said, "Difficult times demand that tough choices and tradeoffs be made, but this cannot be done by the Government on its own. It is equally important for the business community and the country at large to spend time to understand and appreciate these challenges and the limited choices that any responsible government can utilize to address these challenges head on. Care must also be taken to ensure that the policy prescriptions are carefully calibrated to mitigate the fiscal deficit, to address structural imbalances and to put sustainable solutions in place. But at the same time it is important not to erode business confidence. Against this background, success will be heavily dependent on labour, government and the private sector working closely together and with the national interest at heart. This is a new journey for Trinidad and Tobago and not a path that we have walked in the last decade. We need good judgment, strong conviction and flawless execution to be successful. Let us utilize our best minds and provide an environment where solutions can be identified and implemented." This, in fact, has been the prudent approach adopted by this administration in meeting the challenges that face us. As I have said, there has been much criticism by those who fail to appreciate this.

I would like to put this in further context, Mr. President. Certain technocrats have been for some time now calling for an increase in our GST rate and our reevaluation of our zero-rated-goods scheme. This has been soundly resisted by Government, despite the widely held view that our rate is too low to meet the country's fiscal requirements. I would like to support this point by comparing our GST rate to those in the region with similar taxes on consumption. Starting in Central America, Mr. President, Nicaragua has a rate of 15%, Costa Rica 13%, El Salvador 13%, and Honduras 15%. In the Caribbean, Mr. President, Dominica has 15%, St. Lucia 15%, Trinidad and Tobago 15%, Jamaica 16.5%, St. Kitts and Nevis 17%, and Barbados who we were compared to 17.5%. So you see, Mr. President, despite the noise about this budget, we can start to discern that it is the conservative prudential management of our economy, as evidence in this budget, that has afforded us the distinct advantage of maintaining a GST level which is one of the lowest in the region. Mr. Speaker, sorry, Mr. President, it is growing up listening to debates in the House. It is difficult to get out of that, Mr.

President, my apologies.

MR. PRESIDENT: You are forgiven, Senator Salazar.

SENATOR A. SALAZAR: Mr. President, I come now to the topic with which I feel that the detractors have had the most success with their propaganda, and that is why I've chosen to address this last, which is the issue of the Government's borrowing and debt servicing. I am compelled to admit that the propaganda against the spending of GOB has been finely tuned. And if one is not careful, Mr. President, one will easily be taken up in the crescendo of mistruths, half-truths and downright not-so-truths about Petrocaribe borrowing, Government's spending and the like. As I said, it is my wish today to separate fact from fiction. The truth is not hard to find, Mr. President, that is, if you really want to look. A look at the budget reveals that the total external debt financing for 2016/2017 is estimated at US\$82.7 million. Is this exorbitant? Is this unprecedented? I say absolutely not, Mr. President.

Mr. President, I would like for my Belizean people to examine with me the historical trend of our external debt servicing as provided by the figures from the Central Bank of Belize. It is right there on the Central Bank's website for anybody who wishes to take a look at it. In 2001, our external debt servicing was US\$77.3 million; in 2002, US\$77.3 million; in 2003, US\$82.8 million; in 2004, US\$96.8 million; in 2005, US\$88.9 million; 2006, US\$134.3 million; and in 2007, US\$133.4 million. In 2006 and 2007, Mr. President, if you honestly and objectively wish to place criticism where it is deserved, that level of debt was totally unsustainable and put the country in a beeline for disaster. Compare that now with debt servicing in 2013 and 2014 of US\$61.9 million and US\$76.6 million, respectively, and with the estimate for this year of US\$82 million, then, Mr. President, it is abundantly clear that we are on a prudent course of stability.

In order to elucidate the point, Mr. President, I would like to make a further comparison with your indulgence. In 2003, our external debt servicing stood at US\$82.8 million as it does now. Some would say it is the same, but that is so far from true, Mr. President, and I will show why. Our GDP then was US\$990 million, whilst today it is estimated at US\$1.86 billion, meaning that our economy is now twice the size as it was back then. Yet, the level of debt is the same in terms of actual dollars. In today's terms, this is akin to an external debt servicing requirement of US\$165 million or twice the amount actually projected in this budget. In fact, Mr. President, despite the position stated by the Opposition in relation to the current debt to GDP ratio, the fact remains that the most difficult and trying time, as a nation, in relation to our debt level was in 2005, when our debt level stood at 87.5% of GDP which I am advised did not even include contingent liabilities which would have taken it over 100%. That is the fact, Mr. President, which we cannot shy away from. The fact remains, as I've said, Mr. President, this was our most trying time as a nation. It is as a result of prudential management, fiscal responsibility in successive budgets such as this that we saw a trend towards decreases in our ratios to manageable and sustainable levels over the past two UDP administrations.

Mr. President, I am not done yet because I want to drive this point home for our people who are listening because the truth must be told and we must put this Petrocaribe misconception, deception and wild accusations about fiscal mismanagement to rest. I've heard a lot of talk about deficits over the last financial year in describing the performance of our economy. If we want to speak about deficits, then let's do so. Let's speak about deficits. Mr. President, the historical trend of our deficits, in 2001, Mr. President, our deficit was 11.3% of GDP which, I can say, is the highest in recent memory. In 2002, Mr. President, it was 5.8%, and, in 2003, it stood at 10.9%. In 2004, it was 6.3%. In 2005, it was 6.8%. Compare that now with 2010 when it was 1.7%, 2011 when it was 0.8%, 2012 when it was 0.8%, 2013 when it was 1.1%, and projections for the outturn last year are now at 2.46%. There we have it, Mr. President, clearly demonstrated. It is very easy to find. We just need to look. These are hard figures, Mr. President, not mere words that our economy has been performing far better by any standard. The reality is that the chorus of criticism is unwarranted and unfounded.

I hope that my intervention will assist in demonstrating that we are being misled. These figures lay naked, the misrepresentations about the state of our nation's economy. It is in this climate where our economy has shown better performance than that of our closest neighbors, where the government's fiscal responsibility has allowed us to resist calls for tampering with our GST regime, where our levels of inflation have been lowered significantly from one administration to the next, where our interest rates are now at levels previously unheard of, where our prior gargantuan, stifling external debt has been renegotiated and brought into manageable parameters through determined and prudent policies with the interest of Belizeans in the fore. In such a climate, Mr. President, how can anyone with an objective and sober mind not support this budget? I do for all those reasons that I've described. I am much obliged, Mr. President. (Applause)

MR. PRESIDENT: Senator Salazar, thank you very much for that very interesting research and statistics.

SENATOR DR. C. BARNETT: Yes, thank you very much, Mr. President. With your permission, can I refer to my notes, Sir?

MR. PRESIDENT: Please do.

SENATOR DR. C. BARNETT: I want to begin by saying that I will probably repeat this sentiment for as long as I have the opportunity to speak on money Bills that come before this Honourable House. The truth is that this Senate does not have power over money Bills. Indeed, the most that the Senate can do, if this body feels that circumstances so require such action, is to delay a money Bill for a short time, one month, which has no meaningful effect since Government can function for up to 4 months without an approved budget and can spend during those 4 months up to 1/3 of the expenditure approved in each budget line in the previous year. So life would go on and a budget would eventually come into law

whether this Senate approves it today or not. And it is not that I would ask that this Senate be given any additional power over money Bills at this time in the present constitutional construct of an appointed Senate. Indeed, it is my view that, if the Senate is to approve how the people's money is to be raised and spent, then the people should have a say in how the Senate is selected. So I firmly, personally believe in an elected Senate. I believe in a Senate where the standards of transparency of appointment and accountability for work done are equally applied to each Member that sits in this Honourable Chamber. It may not be opportune to raise this, it may not even be a position that is widely supported, but, for what it's worth, it is my view.

I want, Mr. President, to thank the staff of the Ministry of Finance and the finance officers within each Ministry and department of Government who all contributed to the preparation of this budget. The document is getting bigger each year as a greater degree of detailed information is presented in the draft estimates. There is much more by way of explanation. This signifies increasing transparency in the presentation of the draft estimates. I want also to express appreciation, Mr. President, for the continued rollout of programme budgeting which is intended to increase accountability for results. Clearly there is a lot of work to be done within Ministries to detail work programs, to clarify expected results, to identify risks and challenges that may stand in the way of achieving expected results, and to identify indicators of success. This is a work in progress, and it is not easy. These works started long before it was included in this budget as a way of learning. For several years social sector Ministries and departments prepared parallel programme budgets in order to learn the process, and every year additional Ministries and departments come on stream. I believe this is the third year that the programme budget presentation is included in the budget, but not all Ministries and not all departments have been exposed to the training, not all have developed the capability, and it is a work in progress. We need to realize as well that there is no requirement, as yet, under the law for three-year-rolling budgets as implied by the programme budget presentation.

Mr. President, the implementation of programme budgeting is long overdue. Unfortunately the system that we still have is one in which budget preparation is centered in the Ministry of Finance, the budget is approved in the National Assembly, spent through line Ministries, and accounted for through the Accountant General and the Auditor General. This system focuses on the input side. The focus is on how much money is allocated, whether it was spent, if it was spent, where it was supposed to be spent, etc. Even where the concept of value for money is introduced, it is focused on cost effectiveness, not on what we are attempting to achieve with Government policy and programs of work. That is the intended results. This is still the system that we have. Programme budgeting broadens the thinking to the output side, and it expands the scope from one year to several years. In our presentations, we have chosen to do it in three-year-rolling budgets. In programme budget, we are concerned with whether we spend X million on, for example, education or health or national security. But we are also concerned with whether we achieve the specific improvements we are seeking by engaging in the work that is to be done over a number of years. For example, in education, increased spending on a program to achieve universal access to

secondary education would have as its main indicator of success increased enrollment. So we can approve increased expenditure on classrooms, teacher training, and curriculum development. We will see all of these in every budget that is presented, but at the end of the day we will judge the success of the program not by the number of classrooms or the number of teachers trained but by the growth in student enrollment. So it is a different approach. Likewise in health, likewise in national security and in any of the other Ministries that we want to deal with, programme budgeting shifts the focus from what we spend to what we expect to achieve by the expenditure.

So I want to congratulate the Ministry of Finance and the line Ministries for the efforts to implement programme budgeting. It takes a lot of effort to change a longstanding way of thinking and doing. It takes courage to move away from the way we have always done our budgeting, an incremental way, adding to or subtracting some dollars from each budget line every year, to see planning and accounting for results as important. I look forward to growth and maturity in the programme budgeting effort and to seeing the accountability process broaden from focusing solely on the money spent to include the assessment of progress in addressing specific issues through well-designed and implemented programs of work within Ministries and departments. And, indeed, Mr. President, I'm looking forward to the upcoming launch very soon of the medium-term growth and sustainable development strategy which will guide the evolution of plans laid out in programs contained in few job budget proposals. This strategy will be referenced to Horizon 2030, which sets out the long-term vision for Belize and which is to be implemented through a series of medium-term strategies such as the upcoming medium term growth and sustainable development strategy.

Mr. President, if you will allow me, let me talk a little about the state of the economy. This budget has been prepared in the context of significant challenges to particular sectors, yes, but also great expectations from other sectors. Overall GDP growth estimated at 1.2% for the first 9 months of 2015 was relatively low. In the primary sector, although sugar cane was strong, other agricultural productions notably citrus, bananas, papayas, and fisheries weakened as a result of factors such as drought and disease. In our economy manufacturing follows agriculture, so sugar, citrus juices, for example. Therefore, performance of manufacturing reflected the performance of the primary sector products. The petroleum sector has also been in decline as existing oil wells produce less oil every year, and with crude oil prices at an all-time low earnings will continue to weaken. Services sector, on the other hand, performed quite well particularly the tourism sector. Indeed, the strong growth of almost 6% in stay-over visitors in 2015 is expected to contribute significantly to the overall growth in GDP once the final estimates of GDP for 2015 are completed. Strong growth in commerce and in the Government sector is also contributing to growth in the services sector.

So, please, do not call a recession. There isn't one. By the time the GDP estimates for 2015, are in we should see growth that was above the 1.2% estimated for the first 9 months of the year. Any economics 101 textbook will tell you that a recession can be called if there are at least 6 months of decline in GDP.

Bear in mind though that this is in those economies where the collection of production data is sophisticated enough to have GDP data produced, prepared, and published every month. Here in Belize we prepare GDP estimates on a quarterly basis and estimate annually GDP afterwards. Bear in mind that even in those economies where GDP data is published every month six consecutive months of declining GDP in and of itself is not sufficient to determine that a recession is happening. That alone is not the determining factor. A recession is determined by a generalized decline across the important sectors of the economy accompanied by job losses, rising unemployment, declining stock prices, increasing interest rates and a variety of other negative indicators. This is not what we are experiencing in Belize in 2015, not by a long shot.

Bear in mind, as well, that in the normal scheme of things the economic cycle is such that output in Belize significantly fluctuates during any given year because the production cycle in our major sectors tend to coincide. Sugar production and exports begin in the final quarter of the year. This is the same quarter that citrus production begins and the high season for tourism begins. Sugar, citrus and tourism go into off season in the summer months. So it is normal for the economy to produce less in the second and/or third quarters of any given year. And, Mr. Chairman, Mr. President, I am getting like Aldo and calling you a wrong name, Sir, my apologies. This is data that is readily available on the Statistics Institute of Belize website, and I would encourage anybody interested in seeing how the quarterly GDP data by sector and as a whole pans out for the last 10 years. It is there, and you can see that the second and third quarters do tend to show a reduction in output. It is not in the least bit out of the ordinary.

What we are seeing on an annual basis is moderate level GDP growth, but growth none the less and growth with low inflation. This is a more sustainable level of growth, fueled by production particularly in the tourism sector but also in commerce and in the public service. This is not growth that is fueled by unsustainable commercial borrowings by Government. This is growth that is fueled by real production and exports, especially services, and with production, Mr. President, like those coming on stream, of Santander, coming into production. Sugar production in the north is expected to improve. Recovery in the farm shrimp industry is expected to be seen as the disease which disseminated shrimp production is eradicated. And with the tourism sector, moving well beyond the million visitor mark, we can expect the economy to continue to strengthen.

Mr. President, to look just briefly at the budget estimates themselves on a macro basis, the overall deficit in fiscal year 2015/2016 exceeded the original budget by a significant \$92 million. And the primary deficit of \$87.6 million exceeded the original budget as well. As explained in the budget speech presented by the Prime Minister and Minister of Finance, this largely reflected two things. The first is the payout of \$97 million to British Caribbean Bank in settlement of the international arbitration award in respect of the loan to Belize Telemedia Limited. The second is the additional expenditure for about \$55 million for road works and other infrastructure. Both the BTL settlement and the infrastructure investments were funded from Petrocaribe borrowings. Thus, notwithstanding strong revenue growth which saw revenue collections exceed the budget by

almost \$45 million, the net result was a sharp expansion in the primary and over all deficit position to levels which would not be sustainable if they were expected to carry on and were anything other than out of the ordinary. While this is a significant development, the reality is that it does not represent a deterioration that is expected to continue. The arbitration award paid out in 2015, and the upcoming final settlement of the BTL acquisition are not only one-off events which will not recur but they are financed from low cost Petrocaribe borrowing.

In the subsequent financial years, Government expects to return to a primary surplus as well as lower and sustainable overall deficit levels closer to 2% of GDP. Mr. President, it is also important to note that, with the expected reduction in access to low cost financing from Petrocaribe, Government is already signaling its intention to ensure that its capital programme will return to pre-Petrocaribe levels and that borrowing will continue to be limited to official bilateral and multilateral sources which, while not as low cost as Petrocaribe has been, will still continue to be significantly lower than commercial borrowings would ever be.

Mr. President, Government's debt grew by approximately 7% during the fiscal year just ending to total \$2.8 billion. Of this amount just over \$500 million is domestic debt while the remainder is external. Almost 50% of the external debt is comprised of the super bond, the result of restructurings of commercial debt acquired by Government mainly during the years 2000/2006. The remaining external debt is to bilateral and multilateral lenders. Earlier the Senator for the business sector wanted to know who we owe and what we owe. And I wanted to call attention to the fact that who we owe and what we owe is set out in great detail on the Central Bank of Belize website. And I can tell you, Mr. President, that at the end of 2015 we owed the EIB \$9 million, World Bank \$26.6 million, CDB \$253.9 million, IDB \$238.2 million, OPEC \$47.9 million, Kuwait \$18.4 million, Taiwan \$246.2 million, Venezuela \$272.9 million and banks, meaning our commercial super bond, \$1 billion with \$53 million for a total of \$2 billion with \$344.9 million. So it is in great detail. It sets out exactly how much is paid in servicing every month, in amortization every month, and so there really is no secret, no lack of access to the information on what we owe and who we owe it to.

I want to close by encouraging the Ministry of Finance and the line Ministries to increase the degree of consultation with their stakeholders as they prepare their annual work programs and expenditure plans. It would not surprise my colleague, Senator Courtenay, that I strongly advocate consultation. When I was Financial Secretary, I had the privilege and the opportunity to institute a series of consultations in the preparation of several budgets. It was a different time. It was a different situation. Those consultations first arose as a strategy at the time to build consensus in a situation in which Government had lost all policy credibility and needed to bring people together around difficult policy decisions that had to be made if we were going to have any chance of success, of doing things like significant fiscal cutbacks of restructuring the debt the first time, and we needed to bring everybody on board. Things have changed significantly now, but not because we are not at that level of desperation means that we do not do the consultation that would make people be more participating and more owning of

the work that is done. From my own experience, I know that consultation often feels like extra work, work that can be contentious, I remember those times. Confrontational, I really do remember those times, and really very difficult. They were hard going. But at the end of the day sitting down and discussing with intended beneficiaries the work that is to be done provides tremendous guidance to policy makers. It helps to focus priorities, and it helps to ensure that projects are designed to meet the needs of intended beneficiaries. So I am encouraging Ministries, line Ministries and departments to get out and meet with their stakeholders and listen to them when you are putting your work plans together. And, in as much as I am encouraging line Ministries to facilitate greater involvement of their stakeholders, I am also encouraging the Ministry of Finance at the more macro level to engage in greater consultation in the preparation of the annual budget. And here I am referring not only to the consultation between the Ministry of Finance and representatives stakeholder groups like the business sector, the NGO community and labour. I am also referring to consultation between the Ministry of Finance and line Ministries because that's where you get all of that good energy together to put a budget that everybody agrees with.

In the case of consultations between the Ministry of Finance and the wider public, there are existing mechanisms such as the National Economic Council where this can be done. Mr. President, I believe that such consultation increases transparency. It strengthens democracy. It gives people the opportunity to be heard and to influence the content and the focus of the annual budget even as it is being prepared, and it removes any of the mistakes that may be attached to a process that's really just nuts and bolts. So there is no rocket science involved. It's really just putting down the work and organizing it to serve the priorities of the people. And, therefore, I do agree with everybody who has said, though maybe for different reasons, that consultation is a good thing in the preparation of the annual budget.

And so, Mr. President, I want to say that this budget that is before us it may be boring because there is no exciting problem to solve, it may be easygoing, but it is a good budget. It meets with the priorities of the people in the areas of education, health, national security. It provides a basis for keeping the fiscal accounts on an even till in the ensuing period. And it will keep us focused at the end of the day on the need to ensure that we achieve the level of economic growth that will return the jobs that we need to ensure that all our people are enjoying a better standard of living. So, Mr. President, I am unreservedly in support of this budget. Thank you very much. (Applause)

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Thank you, Mr. President. Mr. President, this is my 14th budget debate in this Senate. I have many years of it, and I must say that I am very appreciative of the presentations by everyone today, Senator Courtenay, Senator Woods, Senator Thompson, Senator Smith, Senator Rocke and, of course, Senator Lizarraga. There is always a good soberness in this Chamber to the debates that we have. And the level of respect and presentation is unmatched in many areas and certainly unmatched in the House.

But, while my colleagues on both sides have aired different concerns, there are few things that I just want to quickly mention. I've been here with budget debates that have gone until 6 o'clock in the evening, and I've been in one that went as late as 7 P.M. We are doing really good. It's a numbers' game. That's what it is. Government, and we are not debating the revenue, it's the expenditure. It's an appropriation Bill, how you will appropriate the money to various sectors and things. Of course, we needed to know where the money will come from, and that's why it is in the big book, as they called it. It is not so big now. It used to be 600 pages. It is at 200 and something pages now. Government is projecting \$1.237 billion in revenues of which taxes are going to be \$936 million. That is what it is taking out of the people of Belize or about 25% of the GDP. It has been kind of consistent over the years. And so the other \$151 million is what they call non-tax revenue, all sorts of things, licenses, etc, because you don't have to do that, capital revenue and some grants that we continue to get, and we are grateful for those persons who give us those monies. But in the 14 budgets I've never really seen any budget where, and I wish I would see the day when we can pay everything, when we can do recurrent, when we can do capital, pay our loans, and pay our interest. That would be the day. And then we can have a surplus too. Of course, we would spend the surplus. So we might never see a full budget where there is extra money. But Government goes on.

And so the critical thing is to ensure that you can pay your bills, and the Lord would help us if we couldn't pay the recurrent which this year is \$959 million. And, of course, it leaves us with about \$129 million additional funds after we've paid our recurrent. In other words, we could pay all the staff, we could pay all the employees, we could pay the light, water, and we are paying interest of \$100 million. In that interest, of course, there are some high interests, and that hurts us, but it's history. We have about \$42 million leftover to apply to capital which in this budget is \$191 million. So we have a shortfall for capital for \$149 million, and we have to borrow it. But brass tacks being brass tacks, we continue, we could pay and we could pay our loans. Hopefully, as we go forward, the interest, even though the interest continues to be high, the rates are lower, especially the rates under Petrocaribe because they are concessionary terms, and the commercial borrowings were short-term high interests, and even though we renegotiated the super bond it is still high and it kicks in. But, again, that is history. We've all lived with that.

What is important though is to look at a few things that have been mentioned with this budget. Money for the private sector, I've heard it over and over. The truth of the matter is, of this \$1.2 billion that Government is hoping to collect, it goes back into the private sector. Apart from some of the loan interest which will go overseas and we have to find the US for it, I understand our reserves are fairly good, and the loan repayment, the majority of it goes overseas. For the most part, apart from things Government would import, that money goes back right into this economy. And so, when you see that, for example, the employees of Government which include teachers and public officers get a nice jump, a \$20-something-million jump, man, it's hard to quarrel with that because that money will be spent locally. That is about 13,000 people there with their families. They will spend locally. And so, quite frankly, I would agree with the

Senator for the unions from where I sit, but I won't agree with her from where she sits because the unions always fight to get better pay deals for their people. And so in the public sector, public service union plus teachers union negotiations on which I sit, I really thought the Prime Minister was generous. I agree with you. It is a lot of money. But the public service union and the teachers union pushed and pushed. But I must say that it doesn't include the contract officers. They are not part of that. These are Government employees and teachers. And I didn't think it was the best thing to do, although it is a lot of money, but I don't begrudge anybody. So we can't say that there is no benefit for that. That money goes back in the economy.

But the good Senator touched on a point as well which is number 22, I think, of the agreement which would have dealt with Government picking up the pension for teachers in those church-aided schools. And that comes all the way home, you know, because, as she well knows, my wife taught for 42 years, church-state school for which the Government pays 70% and the church pays 30%. And she walked away with 70% pension because the church can't afford to pay the 30%. So I would have loved that she would have been paid because that is money that is coming home. But it is what it is. And that would add an additional responsibility and burden to Government's budget to pick up that 30%, as much as it looks, because it is around \$63 million now. Add a 30% to that, and you will see where it is. But there is no harm in trying to continue. I would be a beneficiary indirectly.

We want to look at, for example, the comments made by my colleague, Senator Thompson, on BIL. And I think he still sits on the Board of BIL. I am not sure. He used to sit on the Board of BIL, right. But really, yes, and they shortlist the people, but, Lord, man, the things are approved by the Contractor General, and we can call some names, call names of good people. I don't think that anybody will complain on the works that John Woods do, Cisco Construction. Man, it's world class. Even when you look now at, for example, I was at the opening of the Isidoro Beaton Stadium which, I think, the brother and a family indirectly to me, because he is married to my cousin, Pete Lizarraga, did a magnificent job. And the Honourable Senator's name was called as having contributed significantly on the Board. I don't think those decisions were made along political lines. Nobody can complain about that stadium. It is a magnificent job. And, yes, maybe the Area Representative was part and parcel of trying to figure who would get the job, but it certainly wasn't some cheap, lowdown cronyism that engaged in that construction. It was a quality work. Anybody can see it. In fact, I thought that we didn't need the national stadium now with that kind of turf we have there and kicking out. The only sad thing is that the same night we played Honduras we got a whipping.

But the truth of the matter is, when you look at the roundabout here coming into Belmopan, it is a world-class-job and, I think, people appreciate it. And, yes, I've stood here before and I'll stand here many times in the future, I'm sure, to talk about the quality of construction because, as an engineer and one who did my training in one of the world's greatest technical country, Germany, we look at perfection, and you don't see it in many places. Sometimes I would just go

crazy. But you have to help to train and help to develop and help to improve and help to point out. And I remember when the Forest Drive was being done, where my sons have a little business. I called the contractor about 50 times, even though it was not my responsibility, but I just took it on. And I called the engineer over and over, and they came. Mr. Cano came, Mr. Robinson came, and I said that there is a thing called retention money, that will have to be done over, and I'll see to it. Maybe it was because I had an interest on it. It is the road that I travel on every day, but for the most part we all have to do that.

Finally, I just want to touch on the "nothing for the poor". Really Capital II and Capital III are a lot of things for the poor. If you look at page 187 to page 195 for Capital II and page 196 to page 199 for Capital III, there is a myriad of things that are happening, and all of that involves employing people, buying from people, putting facilities for people, all sorts of things. So really, Mr. President, we are really not debating \$959 million of this budget because the recurrent is the recurrent, and it will always recur. In fact, in the UK, I think, they split; I don't know if they still do it, but they used to split their budget debate into two. The recurrent is generally the "ayes have it", unless you want to stop pay the light, the water and the people. And the capital which is \$191,000 is where we are spending a lot of time debating about what's being given and what's not being given. We can contribute \$42 million to that from taxes and other things, and we will have to borrow the other \$149 million to try to get it done.

I think all the colleagues have given in great details some statistics to say where we are and how comfortable we are or how uncomfortable we are. But in terms of investments, I just wanted to make a few points. The points made by the Honourable Senator Courtenay are taken seriously, particularly with respect to Beltraide. As a former Chair of the Investment Committee of the Cabinet, now chaired by the Honourable Tracy Taegar-Panton, we set about a clear criteria for investments which came to the House just as a paper and has been recommended also by the former Leader of the Opposition, and what it says is this. It says that rather than this adhoc uncertainty within the investment climate, that is the FDIs we are talking about, our local investments, there must be some standard criteria so that people could be assured of what it is. It was my goal, when I chaired it, to try to move Belize from the despicable 134 position in the world in the ease of doing business to number 1. I have not succeeded, but it's a laudable goal, and I think we could get there. In other words, you should be able to hit the ground here, be clear and in a month time be off the ground running. But it is a work in progress. So we tried it first. We staggered with Santander because the emphasis at that time was always on the environment and the ECP and, of course, the environmental studies that had to be done. People saw that as though that is the thing, but no.

The investment criteria are laid out clear. The first one is that any investment must be economically and socially acceptable and legally doable. The second is that it must bring some revenue to Government. Everybody wants relief, but you can't give everybody relief just adhoc relief, willy-nilly. Government has to earn some revenue or investments won't make any sense to Government in that sense. But then there are other criteria. It has to bring some foreign exchange too.

And those are studied. Each of those areas is studied in dept now by Beltraide and a very competent team at the Ministry of Trade. The fourth is that it has to bring some meaningful jobs to Belize, and the Ministry of Labour, at least, when I was the Minister of Labour, was insistent on that. Santander run head on into a lot of problems in trying to bring people and who they actually brought at the border, and they were saying, "This is panic. We need it now." And we broke it to them to analyze: what are the qualifications of those people? Have you advertised any in the papers? Have you tried to get Belizeans? We have three universities pumping out students. It can't be that you will be bringing all your foreign workers into this situation. And the fifth, but certainly not the least, is to maintain the environmental integrity of the country or enhance it, if you can, and the cultural capital of the country. And I can say we have had a huge investment where the investor sat in front of me after trying to convince everybody, and he said, "Well, Minister, I am telling you that you have too many holidays and I am not into all those 10th of September and Garifuna day and sorts of things you do. Really our people will have to work." I said, "The laws are clear you know. You can pay them properly, and they will decide to work, but you can't force them to work." He said, "Well, that is a non-starter" I said, "Well, your investment is a non-starter." This is important to the Belizean people. You can't tell us that you can't respect our cultural heritage and our holidays. And so I said, "Well, why didn't you in a nice state try to do 4th July?" The thing about it is the criteria is there to guide the investment.

With respect to the agro-productive sector, I can say, and it is not reflected in the budget because it is not something that can be reflected in the budget. In 2004, there was a change in the tax structure for large tracts of land for the productive sector, and annually there was an S.I. that was required, and it almost amounted to going to beg the Minister to please give me a relief, etc. And it happens every year. I can confidently say to you that two weeks ago I signed an S.I. that moved all of that. The rates are set. They are clear. They are reduced significantly, and you don't have to go to any Minister, especially to this Minister, to beg if he can help you or not. Now everybody is happy. So they can pay their tax and move on with whatever they are doing. And it will bring significant relief because the values have been reduced significantly. So those are some of the economic policies that Government has to put in place to move.

But I want to conclude by saying, ladies and gentlemen, Honourable Senators and colleagues; it's always a team work. The reason why Senator Courtenay and I who have worked feverishly and diligently on political reform, especially the Senate, and we were the ones who launched, and this is a hybrid of what we wanted actually because we did wanted an elected Senate, in a sort of proportional manner. But the reason why we got participation of the business community, the churches, and the unions was to just bring that together, to ensure that everybody in this country is on page with their suggestions. And it's not only here to expound, but it is part of the National Economic Council on which the business community sits. It is part of the church relationship with the Government, and we've met many times on Bills. And it is also part of the relationship with the unions with whom we've met many times to discuss these matters. So, while I agree with my colleague, Senator Carla Barnett, that the

consultation continues and should be ratcheted it up, it is ongoing in a sense. And, indeed, with respect to the National Economic Council, it's the forum where these things can and should be launched.

I accept the comments by Senator Lizarraga that, in fact, the programme budget in the Ministries should be given greater attention, but like everything in Belize it needs a driver. And I will assure you that I will lean on my colleagues in the Cabinet to become the drivers, to ensure that in their Ministries that is accomplished because it does need a driver to accomplish those things. So it is an ongoing target.

So with those few comments, Mr. President, and I do recognize that there are colleagues who do address you as Mr. Speaker and Mr. Chairman. But, Mr. President, I ask that the question be put.

MR. PRESIDENT: I don't have a problem being called Mr. Speaker. Don't worry.

Honourable Members, the question is that the Bill for an Act to appropriate certain sums of money for the use of the Public Service of Belize for the financial year ending March 31, 2017, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

2. Customs and Excise Duties (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to move the second reading of a Bill for an Act to amend the Customs and Excise Duties Act, Chapter 48 of the Substantive Laws of Belize, Revised Edition 2000; to provide for the removal of revenue replacement duty on Caricom goods; to increase the scope of goods subject to excise duty; and to provide for matters connected therewith or incidental thereto.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Customs and Excise Duties Act, Chapter 48 of the Substantive Laws of Belize, Revised Edition 2000; to provide for the removal of revenue replacement duty on Caricom goods; to increase the scope of goods subject to excise duty; and to provide for matters connected therewith or incidental thereto, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

3. Brewery (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to move the second reading of a Bill for an Act to amend the Brewery Act, Chapter 286 of the Substantive Laws of Belize, Revised Edition 2000; to provide for the duty payable on local beer to be the same as that of other Caricom countries; and to provide for matters connected therewith or incidental thereto.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Brewery Act, Chapter 286 of the Substantive Laws of Belize, Revised Edition 2000; to provide for the duty payable on local beer to be the same as that of other Caricom countries; and to provide for matters connected therewith or incidental thereto, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

4. Belizean Nationality (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, there are five following Bills dealing with nationality and immigration issues which I will read. They all aim to do the same thing, and that is to delegate certain functions to a Minister of State by the Substantive Minister. So, while I will read them individually, the discussion and debate can take place at the beginning or at the end, but I would request your permission to have the Honourable Members speak on them perhaps collectively. There has been a request from the Honourable Senator Courtenay to, in detail, look at these in Committee, and we have requested parliamentary counsel to be present so that his views can be ventilated and expressed on and responded to.

Mr. President, I rise to move the second reading of a Bill for an Act to amend the Belizean Nationality Act, Chapter 161 of the Substantive Laws of Belize, Revised Edition 2011; to make provision, in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto.

SENATOR E. COURTENAY: Thank you, Mr. President. Mr. President, as indicated by the Honourable Senator Hulse, my comments on the Bill that he has moved the second reading for will apply to all the other pieces of legislation that are proposed for amendment this afternoon. I want to preface my comments, Mr. President, by stating for the record that I have consulted with the Leader of the Opposition with respect to what I am about to say because I am sure it will appear that it differs from the position taken by the party in the other place. But

the Leader of the Opposition has approved my taking the position that I propose to articulate.

Mr. President, we rise to express concern and seek clarification, firstly, from a legal point of view and, secondly, from a policy and practice point of view, in terms of these proposed amendments. I have since been looking at these Bills trying to figure out what exactly it is that Government is intending to do. Is it to create a super Minister of State? Or is it to create a mini Minister? That might sound a bit curious, but it seems to us that, when one looks at the pieces of legislation and what the intention is from reading the words, it appears that the intent is, even on a temporary basis, to take away from a substantive Minister highly important, sensitive and core functions, under the several pieces of legislations, that are to be performed by the Minister.

Now, Mr. President, it is important for us to take a look at the constitutional context of what is being proposed here. In the Gazette of the 13th of November 2015, the Governor General by an instrument, acting on the advice of the Prime Minister, appointed one Godwin Hulse, Minister of Natural Resources and Immigration. That instrument is dated the 11th of November 2015 and is published by authority in the Gazette dated the 13th November 2015. And it says, if I may read in part, “I, Colville Norbert Young, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Member of the Most Excellent Order of the British Empire, Governor General of Belize, in exercise of the powers conferred upon me by the said section 41 of the Constitution and acting in accordance with the advice of the Prime Minister, do hereby assign to you responsibility for the business of Government more fully enumerated hereunder which is assigned to you according to law and usages of the Constitution and I direct that you shall be designated as the Minister of Natural Resources and Immigration and that your Ministry shall be known as the: Ministry of Natural Resources and Immigration.” And then set out in detail are the areas of Government that have been assigned to the good Minister of Natural Resources and Immigration: aliens, border protection, citizenship, deportation, immigration and passport. Those areas of Government responsibility have been assigned to no one else.

In the very same Gazette, there is an Instrument No. 698 by which the Governor General appointed one Beverly Castillo to be a Minister of State. That instrument is dated the 9th day of November, 2015. Importantly, Mr. President, absolutely no responsibility has been assigned to this Minister of State, and I wish to emphasize that because, regardless of what the Prime Minister said in his press briefing at the time when he announced his proposed appointments, that statement that Minister Castillo would have responsibility for immigration does not sound in law. It has no legal significance because the instrument under which she has been appointed does not assign to her responsibility for immigration.

Now, Mr. President, we live in a democracy and that democracy is based on the rule of law. The Constitution is supreme. No one is above the Constitution, and no one can contravene the Constitution without consequences. And I emphasize this because what we are being asked to consider today seems to me to

be the beginning of embarking on a slippery slope. There can only be one king in a kingdom. There can only be one Minister in a Ministry.

Section 36 of the Constitution vests executive authority in Her Majesty the Queen, and it is exercised in Belize on her behalf by the Governor General. And importantly, Mr. President, section 44 of the Constitution establishes the Cabinet. And it says that, “There shall be a Cabinet of Ministers for Belize which shall consist of the Prime Minister and the other Ministers. The Cabinet shall be the principal executive instrument of policy with general direction and control of the Government and shall be collectively responsible to the National Assembly for any advice given to the Governor General by or under the general authority of the Cabinet and for all things done by or under the authority of any Minister in the execution of his office.”

Most importantly for purposes of this discussion, Madam President, is the proviso to section 44(1) of the Constitution which says, “Provided that a Minister of State appointed under section 45 shall not be a member of the Cabinet but may attend Cabinet meetings upon the invitation of the Prime Minister.” So what we have here is Minister Hulse appointed under recommendation of the Prime Minister, in compliance with the Constitution by His Excellency the Governor General. And, in compliance with the Constitution, assignment of responsibility for immigration matters has been conferred on Senator Hulse and Senator Hulse alone. No such responsibility has been, by the Constitution, conferred on Minister Castillo. Further, Minister Castillo is not a member of the Cabinet. She may attend Cabinet meetings by invitation, but she is not the substantive Minister for Immigration. That is made pellucid by section 45. It says, “The Governor General, acting in accordance with the advice of the Prime Minister, may appoint Ministers of State from among the members of the House of Representatives or of the Senate to assist Ministers in the performance of their duties.” Therefore, as a matter of constitutional law, all that Minister Castillo can do is to assist Minister Hulse in the performance of his duties.

Now it is interesting, Madam President, to take a look very briefly at what the Nationality Act, the proposed amendment, says. It says that “The Minister,” meaning Minister Hulse, “May, by Order published in the Gazette, delegate to any Minister of State appointed to assist him, the exercise or performance of all or any of the powers or functions conferred upon the Minister under the provisions of this Act specified in subsection (4).” We pause. This proposed amendment purports to give to Minister Hulse the power to delegate, by an Order published in the Gazette, to Minister Castillo the exercise or performance of all or any of the powers or functions conferred upon Minister Hulse by the provisions of the Belizean Nationality Act specified in subsection (4).

Let’s recapitulate. In compliance with the Constitution, the Governor General has conferred and imposed certain powers and responsibility on Senator Hulse as a Minister. We are proposing to amend the Belizean Nationality Act to allow Minister Hulse to give to Minister Castillo the power to exercise the performance of all or any of the powers or functions conferred upon him by way of the Constitution. Subsection or clause 2 of the Bill says, “A delegation under

subsection (1) is revocable by the Minister and the delegation of the exercise of a power or the performance of a function shall not preclude its exercise or performance by the Minister.” So let’s pause. What this is saying is that Minister Hulse may issue his Order, delegate to Minister Castillo the ability to exercise and perform all the powers under sections 10 and 16 of the Nationality Act, but at the same time simultaneously, notwithstanding that delegation, Senator Hulse reserves unto himself the right and ability to exercise all or any of the functions at the same time that Minister Castillo has the right to exercise any and all of those functions. That is a duality of powers. When, God forbid, Minister Castillo says, “yes” to something and signs it, and I am not suggesting anything un toward, but through some administrative slip up, some oversight or just the fact that Senator Hulse was not made aware of it, the matter comes to him and he says, “no”, on the same matter, who prevails? Where Minister Hulse has delegated all his power to Minister Castillo and she says, “Yes” and Minister Hulse says, “No”, who resolves that difference of opinion?

Mr. President, some of these amendments purport to give to a person who is not a member of the Cabinet the power to make subsidiary legislation, the power to issue regulation, the power to set fees, the power to hear appeals. Those are the substantive powers that are conferred on Minister Hulse and not on Minister Castillo. The Constitution, in my opinion, is very clear. Section 43 of the Constitution provides, and I will read with your permission, Mr. President, “Whenever a Minister other than the Prime Minister is absent from Belize or is within Belize but by leave of the Governor General is not performing the functions of his office or by reason of illness is unable to perform those functions, the Governor General may authorize some other Minister to perform those functions or may appoint a Member of the House of Representatives or of the Senate to be a temporary Minister in order to perform those functions; and the Minister may perform those functions until his authority or, as the case may be, his appointment is revoked by the Governor General or he vacates office as a Minister under section 40(4) of this Constitution.” It is important to reread this. Section 43(1) of the Constitution contemplates a scenario where Senator Hulse is, one, not in Belize, Senator Hulse is within Belize and with the permission of the Governor General is not performing his function or he is ill and cannot perform his functions. In any of those instances, only the Governor General and no one else has the authority by an Order to authorize some other Minister to perform those functions or may appoint a Member of the House of Representatives or of the Senate to be a temporary Minister in order to perform those functions.

Mr. President, it seems to me rather clear that these proposed amendments seek to confer a power that is vested in the Governor General by the Constitution. Assignment of responsibility, temporary appointment of persons to perform the functions of a Minister in limited circumstances, is set out in the Constitution. It seems to me, on a reading of these pieces of legislation, that this grand design appears to run squarely contrary to the scheme of Cabinet responsibility, Ministerial powers and functions and duties. We are attempting to create either a super Minister of State or a mini Minister. And, Mr. President, we cannot support it.

Before concluding on this point, it begs the question, what of the other Ministers of State? If it is necessary to make this type of amendment in order for Minister Castillo to carry out her function, what of those Ministers of State in the other Ministries? For example, there is a Ministry of Investment which issues development concessions, fiscal incentives. Can the Minister of State in that Ministry treat with a potential investor, agree the terms of a development concession and sign it? I say, “no” and I say, “no” because that Minister can only do that if one of the conditions in section 43 applies, that is, the substantive Minister is not in Belize, is sick and unable to perform his function or is excused from performing his function, and the Governor General temporarily appoints the Minister of State and authorizes her to carry out that function. We are creating a new category in this proposed legislation. I say, again, if it is necessary for Minister Castillo, it raises the question, why is it not necessary for the other Ministers of State? What are they doing?

Mr. President, we seek clarification not only on the legal position but on the policy position. It has never been necessary before to provide in law for a Minister to divest himself of his responsibility, functions and duties, to confer it on someone else and to have both of them with the authority to exercise the very same functions at the same time.

In closing, there is section 59 of the Interpretation Act. And one would have thought that section 59 of the Interpretation Act, which authorizes the Governor General or the Minister to delegate authority for the performance of functions, and what section 59 provides is that, “When by any law the Governor General or a Minister is empowered to exercise any powers or perform any duties, he may, unless by law expressly prohibited from doing so, depute any person by name or the person for the time being holding the office designated by him to exercise such powers or perform such duties on his behalf subject to such conditions, exceptions and qualifications as the Governor General or the Minister may prescribe and thereupon or from the date specified by the Governor General or the Minister the person so deputed shall have and exercise such powers and perform such duties.” Each of the proposed Bills says that they take effect notwithstanding this provision.

Again, it raises the question, if the Interpretation Act already authorizes a Minister to make a deputation by delegation, why has it become necessary for these 5 pieces of legislation to be amended, supposedly to achieve the same purpose. I respectfully suggest, Mr. President, that the reason why it is being done is because the draftspersons recognize that section 59 does not achieve the purpose. I pause. Section 59 does not achieve the purpose because if section 59 achieved that purpose then all of these amendments are irrelevant and lacking any legal force or necessity. It is doing something that the current law does not permit. We raise serious concerns from a policy perspective and from a legal perspective.

And I wish in closing to make the record very clear in two matters. The first is that we do not, for a second, suggest that there is anything improper or irregular that is causing this. We know of no such thing. We believe that it is designed for the Minister to be more effective in her assistance to the Honourable

Minister Hulse. That being said, the proper thing is to appoint her a substantive Minister. That is what the Constitution contemplates, Mr. President. With those words, we, again, seek serious clarification and express our concern about the proposed amendments. I thank you.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Thank you, Mr. President, and thanks to Senator Courtenay. Mr. President, the way we will proceed with this is that I will ask that the question be put. I'll read the other Bills. The comments by Senator Courtenay, I think, stand. We will go to committee. We will invite the legal draftsman and parliamentary counsel, and we will make a decision in committee.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Belizean Nationality Act, Chapter 161 of the Substantive Laws of Belize, Revised Edition 2011; to make provision, in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

5. Immigration (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to move the second reading of a Bill for an Act to amend the Immigration Act, Chapter 156 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Immigration Act, Chapter 156 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

6. Passports (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to move the second reading of a Bill for an Act to amend the Passports Act, Chapter 164 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Passports Act, Chapter 164 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

7. Refugees (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to move the second reading of a Bill for an Act to amend the Refugees Act, Chapter 165 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Refugees Act, Chapter 165 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

8. Caribbean Community (Free Movement of Skilled Persons) (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to move the second reading of a Bill for an Act to amend the Caribbean Community (Free Movement of Skilled Persons) Act, Chapter 17:02 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Caribbean Community (Free Movement of Skilled Persons) Act, Chapter 17:02 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a second time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a second time.

III COMMITTEE OF THE WHOLE SENATE ON MOTION AND BILLS

MR. PRESIDENT: Honourable Members, in accordance with Standing Order 68A, the Senate will now resolve itself into the Constitution and Foreign Affairs Committee, a Committee of the whole Senate, to consider the Motion referred to it and, thereafter, in accordance with Standing Order 54, the Committee of the whole Senate to consider the Bills that were read a second time.

Honourable Members, I will now take the Chair as the Chairman of the Constitution and Foreign Affairs Committee and then as the Chairman of the Committee of the whole Senate.

(In the Constitution and Foreign Affairs Committee)

MR. PRESIDENT in the chair.

1. **Resolution Authorizing the Ratification by Belize of the Paris Agreement Motion, 2016.**

Motion in its entirety agreed to.

Motion to be reported back to the Senate for adoption without amendment.

(In the Committee of the whole Senate)

MR. PRESIDENT in the Chair.

1. **General Revenue Appropriation (2016/2017) Bill, 2016.**

Clauses 1 to 3 agreed to.

Schedule agreed to.

Bill to be reported back to the Senate without amendment.

2. **Customs and Excise Duties (Amendment) Bill, 2016.**

Clauses 1 to 5 agreed to.

Schedule agreed to.

Bill to be reported back to the Senate without amendment.

3. **Brewery (Amendment) Bill, 2016.**

Clauses 1 and 2 agreed to.

Bill to be reported back to the Senate without amendment.

4. **Belizean Nationality (Amendment) Bill, 2016.**

Clauses 1 and 2 agreed to.

Bill to be reported back to the Senate without amendment.

5. **Immigration (Amendment) Bill, 2016.**

Bill was held back in Committee for further consideration.

6. **Passports (Amendment) Bill, 2016.**

Bill was held back in Committee for further consideration.

7. **Refugees (Amendment) Bill, 2016.**

Bill was held back in Committee for further consideration.

8. Caribbean Community (Free Movement of Skilled Persons) (Amendment) Bill, 2016.

Clauses 1 and 2 agreed to.

Bill to be reported back to the Senate without amendment.

PUBLIC BUSINESS

A. GOVERNMENT BUSINESS

I MOTION

(Adoption of Motion)

1. Resolution Authorizing the Ratification by Belize of the Paris Agreement Motion, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, the Constitution and Foreign Affairs Committee has met and considered the Resolution Authorizing the Ratification by Belize of the Paris Agreement Motion, 2016, and has agreed that it be returned back to the Senate for adoption.

I therefore move that the question be put.

MR. PRESIDENT: Honourable Members, the question is, NOW, THEREFORE, BE IT RESOLVED that the Senate authorizes the Government of Belize to ratify the Agreement.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

V REPORTING AND THIRD READING OF BILLS

1. General Revenue Appropriation (2016/2017) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to report that the

Committee of the whole Senate has considered the General Revenue Appropriation (2016/2017) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to appropriate certain sums of money for the use of the Public Service of Belize for the financial year ending March 31, 2017, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

2. Customs and Excise Duties (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the Customs and Excise Duties (Amendment) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Customs and Excise Duties Act, Chapter 48 of the Substantive Laws of Belize, Revised Edition 2000; to provide for the removal of revenue replacement duty on Caricom goods; to increase the scope of goods subject to excise duty; and to provide for matters connected therewith or incidental thereto, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

3. Brewery (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the Brewery (Amendment) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Brewery Act, Chapter 286 of the Substantive Laws of Belize, Revised Edition 2000; to provide for the duty payable on local beer to be the same as that of other Caricom countries; and to provide for matters connected therewith or incidental thereto, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

4. Belizean Nationality (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the Belizean Nationality (Amendment) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Belizean Nationality Act, Chapter 161 of the Substantive Laws of Belize, Revised Edition 2011; to make provision, in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

5. Caribbean Community (Free Movement of Skilled Persons) (Amendment) Bill, 2016.

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I rise to report that the Committee of the whole Senate has considered the Caribbean Community (Free Movement of Skilled Persons) (Amendment) Bill, 2016 and passed it without amendment.

I now move that the Bill be read a third time.

MR. PRESIDENT: Honourable Members, the question is that the Bill for an Act to amend the Caribbean Community (Free Movement of Skilled Persons) Act, Chapter 17:02 of the Substantive Laws of Belize, Revised Edition 2011; to make provision in the interest of administrative and operational efficiency, for the responsible Minister to delegate certain functions to any Minister of State appointed to assist the Minister; and to provide for matters connected therewith or incidental thereto, be read a third time.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

Bill read a third time.

A D J O U R N M E N T

SENATOR G. HULSE (Leader of Government Business and Minister of Natural Resources and Immigration): Mr. President, I move that the Senate do now adjourn.

MR. PRESIDENT: Honourable Members, the question is that the Senate do now adjourn.

All those in favour, kindly say aye; those against, kindly say no. I think the ayes have it.

The Senate now stands adjourned.

The Senate adjourned at 4:46 P.M. to a date to be fixed by the President.

PRESIDENT
