

INDEPENDENCE DAY 2007: A JOYOUS FUTURE AHEAD

by

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Prime Minister of St. Vincent and the Grenadines

- Address Delivered
- at Victoria Park, St. Vincent and the Grenadines on
- Saturday October 27, 2007



**Office of the Prime Minister
Kingstown
St. Vincent and the Grenadines**

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{FORMAL GREETINGS!}

Today we commemorate and celebrate our nation's twenty-eighth anniversary of independence. On October 27, 1979, our sovereign nationhood was attained upon the proclamation of our formal constitutional independence. This occasion of national freedom and dignity brought to a formal end a British colonialism in St. Vincent and the Grenadines which lasted for 216 years, from 1763 to 1979. Our nation's founding Father, the Right Honourable Robert Milton Cato, building upon the heroic legacy of our forebears, especially that of our National Hero, the Right Excellent Joseph Chatoyer, Chief of the Garifuna people, George Augustus McIntosh, and Ebenezer Theodore Joshua, led us in hope and joy. A joyous and hopeful future still beckons us.

THE PAST, PRESENT, FUTURE

Fellow Vincentians, the encounter between Europeans, lost on their way to the Indies, and the peaceful indigenous peoples known as the Callinagoes or Caribs, ushered in five hundred years of European colonialism, neo-colonialism, and imperialism awash with racism and the crudest, most exploitative form of capitalism. Anglo-Saxon Europe tugged these gems of the Caribbean called St. Vincent and the Grenadines away from a path of home-grown development and plunged them into a vortex of production relations and exchange relations which served Europe's mercantilist, industrialist, and finance interests. In the process, our nation was subjected to genocide against the indigenous peoples, enslavement of Africans, and indentureship of the Portuguese, from Madeira, and Indians.

In this the 200th anniversary of the abolition of the Atlantic Slave Trade, St. Vincent and the Grenadines has been in the forefront of demanding appropriate recompense from Europe to the Caribbean nations which host the descendants of those whose peoples suffered through genocide, slavery and indentureship. We accept an apology as being sincere if it is a sign of inward grace which reflects an accompanying outward, practical reparation. It surely is an historic wrong which must be righted, appropriately.

Through all the “fever of our history” we have emerged as a good-natured people who have fashioned a core of tried and tested values of real quality; who have built a productive, homogenous society of tolerance and caring; who have stood askance against oppression and material poverty; who have triumphed over immense adversities to uplift our conscience, consciousness and spirit; who have twinned the demands of justice with forgiveness: and who have established a beacon of liberal, social democracy to the enduring credit of the Vincentian component of our Caribbean civilisation.

Fellow Vincenitans, during this year, 2007, our nation has made considerable progress despite huge challenges occasioned especially through the further loss of the preferential market regime for our bananas in Europe, through rising prices for oil and imported food, and through the adverse economic rumblings overseas, including the sharp slide of the American dollar.

ECONOMIC GROWTH AND PROGRESS

The regional research and technical assistance centre, CARTAC, has estimated that the real economic growth for St. Vincent and the Grenadines for 2007 is in excess of 7 per cent. More conservatively, the Eastern Caribbean Central Bank

(ECCB), estimates the real growth at a still whopping 6.6 per cent. Indeed, the ECCB has confirmed that in 2007 St. Vincent and the Grenadines will record the highest real economic growth of all the independent member-countries of the Organisation of Eastern Caribbean States. In fact, over the last four years (2004 to 2007, inclusive), real economic growth in excess of a very robust 6.5 per cent has been recorded in three of these years: 2004, 2006, and 2007. As always the ULP government, your government which continues to care and deliver well to the people, ensures that everyone shares in the fruits of their real economic growth. I shall speak more on this later in this speech.

This year a constellation of projects was started or completed which has improved markedly the lives and living of our people and which provides even greater hope for the future. Among these are the following:

1. The opening of the Youremein – Taiwan Bridge over the Rabacca Dry River.
2. The completion, and continuation of the reconstruction of, several sections of the Windward Highway.

3. The complete reconstruction of the Arnos Vale Cricket Facility and the rehabilitation of several other playing fields.
4. The opening of more Learning Resource Centres and renovated Police Stations.
5. The near-completion of the second phase of the Cross-Country Road.
6. The completion of the Windward Water Project.
7. The completion of the Housing Project at Byera and the commencement of the largest such project at Clare Valley.
8. The completion of the Lowmans Bay Power Plant.
9. The near-completion of the Canouan Jet Airport.
10. The on-going construction of the Modern Library, three primary schools, three secondary schools, two Police Stations, the Modern Customs Building, the Modern and Enlarged NIS Headquarters, and the Reigate Commercial Building.

11. The continuous expansion of existing secondary schools.
12. The commencement of certain major projects such as the International Airport at Argyle, the Medical Complex at Georgetown, and the National Stadium at Diamond.

Meanwhile, substantial private sector investment, local and foreign, has been assiduously at work especially in tourism-related construction on the mainland St. Vincent and in the Grenadines.

In 2007, our nation continued on its many-sided quest to build a modern, competitive post-colonial economy which is at once national and regional. To this end several important domestic reforms and original initiatives have been undertaken. In the national political space, the process of constitutional reform is being speeded up; the Value-Added Tax (VAT) was introduced to streamline taxation, protect the poor, and modernise the fiscal system; reforms in public administration and the Police Force continue apace; and another round of Wages Councils has been put in train to increase minimum wages in every 2008.

Regionally, we have focused on consolidating the CARICOM Single Market and preparing the way for the Single Economy; we have launched “the Wellness Revolution”; we have advanced the process towards an OECS Economic Union; and we have been coordinating a regional negotiating position for the vital Economic Partnership Agreement (EPA) between the European Union and the CARIFORUM countries.

Poverty Reduction, the Education Revolution, the Wellness Revolution, and the Good Governance Enterprise, including Constitutional Reform, are at the centre of our government’s public policies. Substantial progress is being made on all these fronts, and more.

SOME CHALLENGES

Despite the fact that more persons are at work in St. Vincent and the Grenadines today than ever before and poverty is declining, there are still pockets of persistent poverty and other socio-economic challenges which are receiving the full attention of your government. Of especial concern is the decline in banana production due entirely to the loss of the preferential market regime in Europe and a generally unfavourable market condition. Still, we must persist with banana cultivation as a central plank in the overall process of agricultural diversification. Currently, the

government is in discussions with the local Fair Trade Organisation and the Banana Growers Association to restructure further the management of the banana industry to meet the challenging realities at hand. The government, too, is pledged to put even more resources into bananas and the farming community.

Moreover, we are elaborating in practice a well-articulated strategy generally, and through targeted interventions, to arrest rural poverty. We must ensure that the bonds of communal solidarity in the rural areas do not fray or be broken because of the impact of the loss of banana earnings. More than ever, the solid body of social capital resident in our rural folk, their tried and tested values drawn from a Christian ethic, their creative imagination, the use of their highly-honed intuitive resource, their capacity for disciplined enterprise, constitute tremendous assets in this challenging period.

As the vast majority of our people progress and focus on developing themselves, their families, and the nation, there is unfortunately a tiny minority of persons who are bent on subverting orderly development, peace, and progress with their criminality, lawlessness, and disregard for life and authority. Such persons must never be afforded any space to flourish. Those who spread falsehood, who seek to demean decent and

authoritative persons, and who try to undermine authority for partisan political purposes are unwittingly encouraging those elements who have a predisposition towards lawlessness and criminality. They, too, must be isolated.

INCREASES IN SALARIES, WAGES, BONUSES

Fellow Vincentians, I turn now to some announcements relating to the sharing of the fruits of our nation's economic growth. The beneficiaries are wholly deserving:

1. As of January 1, 2007, all public servants, teachers, nurses, policemen/women are accorded a salary increase of 5 per cent. This retroactive pay rise, this back-pay, is estimated to cost the Treasury \$7.71 million.
2. Also from January 1, 2007, all the public servants, teachers, nurses, policemen/women who are subject to the reclassification exercise are to receive, in the aggregate, salary enhancements amounting to in excess of 6 per cent. This "reclassification" pay increase will cost the Treasury a further \$8.73 million.

3. With effect from January 1, 2008, all public servants teachers, nurses, policemen/women will receive a further salary increase of 5 per cent. This will cost the Treasury an additional \$12.34 million in 2008.

4. All daily paid employees of the Government are to receive a 5 per cent wage increase, a back-pay, with effect from January 1, 2007. This will cost the Treasury slightly in excess of \$1 million. Further, these same daily-paid workers will receive another wage increase of 5 per cent from January 1, 2008. This will cost the Treasury just over an additional \$1 million for the year 2008.

All told, therefore, these salary and wage increases directly, and salary enhancements through the reclassification exercise, will immediately between 2007 and 2008 cost the Treasury a whopping \$30.7 million. This is a huge sum in any language. This figure does not include other improvements in benefits, including allowances, which are yet to be finalized. I want to thank all the public sector unions who have been partnering with the Government in the negotiating exercises on these matters. Everyone ought reasonably to be satisfied even though we all wish that more could have been paid. But, as always, there are economic and financial constraints.

These increases, effectively in excess of 16 per cent over two years are of his historic proportions. I urge all public employees to life their game, so to speak, so to speak, and be even more productive at work.

Fellow Vincentians, there are some 7,700 of our nationals comprising elderly persons who are economically disadvantaged, some persons who are physically challenged, and deserving children or students who receive a monthly stipend in public assistance or from the non-contributory aged pension from the NIS. They all deserve an increase. Accordingly, from January 1, 2008, there will be an increase of \$30 monthly for each recipient, across the board. Thus, those who are 65 years old and over will have this monthly public assistance increased from \$125 to \$155. They will continue, also, to be exempted from the \$12.00 monthly basic charge at the CWSA. Those recipients under 65 years of age who receive \$115 monthly now, will receive \$145 monthly from January 1, 2008. The non-contributory old-age pensioners at the NIS will also receive an increase of \$30 monthly.

I am mindful, too, that pregnant women and mothers who receive nutritional support currently through the Ministry of Health deserve further support especially since the price of milk and imported foodstuff has increased. The same consideration

applies, too, for children under the National School Feeding Programme. Accordingly, in my Budget scheduled for early December 2007, I will provide for an increase of at least 25 per cent in the nutritional support for pregnant women and mothers with young children, and for the school-feeding programme for 2008.

And what of those pensioners on government pensions? They will, as usual, receive the same percentage increases as for the salaried public employees.

Every year since my government has been in office, a Christmas bonus has been paid to all public employees. This year it will again be paid, despite the payment of the back-payment for 2007 which I have just announced. The back-pay will be paid at the end of November, 2007; the bonus and the reclassification monies in the December pay packet. This year the full bonus of \$250.00 will be paid to all government employees who worked for in excess of 150 days for the year; those who work up to 150 days for the year but for a minimum of 100 days will receive one-half of the bonus, that is, \$125.00. This bonus will cost the Treasury in excess of \$1.5 million.

Further, all persons on public assistance or the non-contributory pension through the NIS will be paid a special \$75 Christmas

bonus when they receive their regular December payment. This particular bonus will cost \$626,100.

Last year, a Christmas bonus was paid to banana farmers. This year, this will be done again. It will be paid on the basis of \$1 per carton of bananas sold per farmer, based on the first six month's sales for the year 2007. Between January 1st and June 30th, 2007, 619,954 cartons were sold. Thus, this bonus amounts to \$619,954.

Every Christmas season, too, my government puts on a Special Christmas Cleaning and Repair Works Programme. Accordingly, I have already instructed the Honourable Minister of Works, Clayton Burgin, to commence the preparation for the Christmas work to the tune of \$3 million this year. I want "the Works" to start early enough to enable those who are engaged in this special programme to be paid for Christmas.

Every year, too, since my government has been in office, there have been tax exemptions on Christmas barrels from overseas. Last year, some 17,000 barrels entered duty-free. Again this year, the Christmas barrels will be duty-free from Monday November 19th to December 31st, 2007.

I want everyone to listen carefully to my Budget Speech this year which is slated for Monday December 10th. In it I will make several important announcements regarding the enhancement of competitiveness and productivity. Among these announcements will be significant tax relief for companies across the board and for employees, both at the top end of the salary scale and those who currently pay taxes at the lower end of the tax threshold. These tax relief measures are designed to leave more money in the hands of companies and employees in the private and public sectors. And as I had promised months ago, there will be further relief measures regarding the VAT.

All these payments, enhancements and reliefs are bounties from our recent years of economic growth and sound economic management. There will be more benefits if we work even harder in a more sensible, creative, imaginative, disciplined, focused, and productive way. My government will continue to lead in the same spirit and manner; we will continue to lead in communion with the people.

LET US CELEBRATE

Around the world this weekend, our nationals are commemorating our twenty-eighth year of independence. In the diaspora, our nationals, including our students, are marking this

day in one way or another. Our prayers and thoughts are with them. They make a most vital contribution to our nation. And we are thankful. On Monday October 29th I will be in Trinidad addressing our students, and other citizens, at the University of the West Indies. Other Ministers and state representatives will be elsewhere overseas, too, on similar missions.

At home, let us have a wonderful celebrating day. Let us thank God for the many blessings He has bestowed upon us. And let us continue to show Him that we are deserving of His Love and bounty.

Happy twenty-eighth independence, my dear fellow Vincentians!

Thank you!