



BUDGET DEBATE CONTRIBUTION

Honorable Asot Michael

Member of Parliament for St Peter's

FEBRUARY 11, 2021

HOUSE OF REPRESENTATIVES

Honorable Sir. Gerald Watt, Speaker of the House of Representatives,
Honorable Members of the House of Representatives,
Country Men and Women of Antigua and Barbuda,

I thank the good Lord for his gift of life and the blessing of being able to serve the people of the St Peter's constituency in particular and the people of Antigua and Barbuda in general.

Mr. Speaker, I stand to make my contribution to the debate of the 2021 Budget Statement under the theme: "Maintaining a Healthy Nation and Restoring a Vibrant Economy", presented in this Honorable House on January 28th, 2021.

Mr. Speaker, let me first of all, commend the Prime Minister for his outstanding leadership in Antigua and Barbuda's fight against the deadly Covid 19 pandemic that has claimed millions of lives around the world over the past 12 months.

Mr. Speaker, in democracies characterized by government of the people, by the people, for the people, the reasonable expectation is caring, visionary, innovative, competent, transparent and accountable leadership and management capable of delivering on the agreed objectives for national growth and development.

That is what the Antigua and Barbuda Labour Party is all about... and that is exactly how I identify with my Labour roots and political baptism when my parents and grandparents stood in support of the party and trade union movement to advance the cause of the working class. My family was an integral part of that movement for a better Antigua and Barbuda for all its sons and daughters.

Today, Mr. Speaker that is what continues to drive me. It is the passion for ensuring the Labour Party sustains and strengthens itself to continue to move our country forward that directs my assessment of policy statements in the budget cycle.

Our work in the governance of this country must always be in synch with the transformational agenda of Papa Bird that empowered our people with better health, better education, better income, land, housing... and overall - a better quality of life. We recall the historical purchase of the syndicate Lands for the people of this Country in 1967 by V.C. Bird.

In this regard, through the budget cycles of his stewardship so far, the Prime Minister and Minister of Finance has done well especially in distinguishing the people-centered accomplishments of our party from the failed anti working class policies of the United Progressive Party.

The context in which the 2021 budget statement falls juxtaposes the progress of recent years on the economic fundamentals against the severe economic downturn of the past 12 months occasioned by the Corona Virus pandemic.

The statement sets out government's policy prescription for moving on purposefully with the noble endeavor of building the very best Antigua and Barbuda for all the sons and daughters of our beloved nation.

Mr. Speaker, I welcome the optimism over "restoring economic growth and rebuilding employment sustainably in the short and medium term", with a strategy that aims in essence at building economic resilience through sustainable and inclusive growth in tourism, agriculture, manufacturing, and construction.

Government's economic restoration plan is also focusing on innovations in a variety of emerging economic engines. The only question with this approach is whether or not it is rooted in the reality of our Covid covered circumstances.

Mr. Speaker, I caution that the 2021 budget statement looks to the future with confidence undisturbed by the reality of growth restrictions imposed on the global economy by the Corona Virus pandemic. In so doing, it features some unrealistic economic growth measures that are likely to set up the false hope of objectives we will pursue but never attain.

At this time of uncertainty and economic decline all around the world, which of the investors named by the Prime Minister are going to commit the millions the budget says they will spend on construction of their Antigua and Barbuda hospitality projects in this budget year?

Mr. Speaker, we cannot be saying that the disruption to our economy will not be corrected overnight and then suggest that investments will miraculously move ahead with a construction spend of over one billion dollars in this Covid controlled year, just like that.

Let us be realistic. Let us stay within the walls of Labour Party pragmatism and practicality that have served us well through the years. Yes - the pandemic will not last forever. Yes - people around the world will travel again. Yes - Lost jobs will return. Yes - The economy will rebound. But there are some exceedingly difficult years ahead of us before that happens. And fooling ourselves with tall tales of government promises that cannot be fulfilled adds no value and gets us nowhere fast.

The challenge before us is to reset the economy with the lessons we have learned and the real opportunities for balanced, sustainable growth that have emerged from Corona Virus pandemic.

We have a high rate of recovery from Covid 19 and our rates of Covid infection and death are among the lowest in the Caribbean region, we achieved this by keeping it real.

However, in the last 14 days the numbers who have tested positive is alarming. In fact, we have had estimatedly 157 new cases within the last 14 days.

Cabinet needs to seriously examine whether or not the Country should again go on a complete lock down, once we receive a sufficient number of vaccines to inoculate most of population, so when we reopen the population will be more resilient against the virus.

Instead of chasing the improbable, Mr. Speaker, let us focus for example on maximizing the potential for increased agricultural production that the 2021 budget hopes will create jobs, income, foreign exchange earnings and food security.

Let us ensure that the US\$20 million Agro-Industrial Park in Antigua and Barbuda gets off the ground this year. Our post Covid recovery needs the broiler farm, slaughterhouse, feed production and feed mill, vegetable farm and training centre.

In manufacturing, Mr. Speaker, I support the plan to advance in this budget year projects in Budget 2020 that have been held up to the pandemic especially the

US\$20 million Carib Beer plant and the US\$5 million brewery project at Antigua Distillery.

We need these manufacturing jobs and the export manufacturing contribution to diversify away from overwhelming dependence on our vital tourism industry which Covid has plunged into an uncertain decline.

In our struggles with the social impact and economic difficulties of Covid 19 we lived the reality that we are all equal... never mind race, culture, religion, politics, occupation or status.

We took the fight to this deadly virus by strengthening our discipline for cleanliness as next to Godliness.... Washing our hands, practicing good respiratory hygiene, wearing our masks, keeping our minds and bodies and surroundings clean and free from impurities... and keeping our distance.

I thank all those sacrificing on the frontline of the fight against this pandemic – the doctors, the nurses, the health care administrators, the environmental health care workers, the police, the care givers, the volunteers – all of those who have carried out their responsibilities professionally, lovingly and well to keep our country safe... I thank the countries and international organizations that have been providing assistance...

Our battle with Covid 19 brought us face to face with the extent to which materialism has encouraged a lack of appreciation for the value of healthy food, clean water, comfortable clothes and proper shelter. And so, let us rethink our priorities... Let us rebuild and renew home and family... let us ensure our economic policy prescriptions no longer neglect these foundation pillars for successful lives in love, health, wellness and happiness.

Mr. Speaker, while it is an area in which we have made some gains since 2014, the Revenue Performance of Central Government needs to improve at a much faster rate.

The clear disappointment here is that while our economy has grown steadily, and our economic activity has been robust, tax revenues have not been rising in line with economic growth.

The average tax to GDP ratio in the ECCU is 20%. In other words, governments in the neighboring islands are collecting 20 cents on every dollar making up the total value of goods and services. In Antigua and Barbuda we collected only 16 cents on the GDP dollar in 2020.

Mr. Speaker, this is a very serious issue, which I intended to address in the 2020 budget debate but was denied the opportunity of doing so.

The 2020 Budget Statement underlined the point that: “our tax revenues are not at the level where every principle of finance and economics suggest they should be, in an economy that is growing as impressively as ours”.

I fully agree with the measures proposed to optimize tax compliance, improve revenue collection and strengthen the capacity of the Inland Revenue Department to investigate and stamp out tax evasion to reduce tax liability.

But, Mr. Speaker, I disagree that our underperforming revenue collection relative to our ECCU partners and against the interest of economic sustainability, is merely about the “unfair and unjust behavior” of those who do not pay their taxes.

It goes deeper than that.

In Antigua and Barbuda, there is no personal income tax, no tax on interest earned on savings or dividends, no inheritance tax, no death duties and no capital gains tax when locals sell property at a profit.

But in Antigua and Barbuda we have a very generous and overly abused system of tax concessions to investors in job creating, profit making, business operations for periods of time well in excess of what is needed to get these establishments firmly on their feet.

Mr. Speaker, I say to the Prime Minister and Minister of Finance that the time has come for Government to take an honest look at these endless tax concessions to monopoly operations providing essential services to the people that simply transfer hundreds of millions of dollars from the limited spending power of the government into private wealth creation machines.

This massive tax giveaway is by far the most significant area of revenue loss to central government which government itself facilitates for the benefit of a privileged few, while placing the blame for underperforming revenue collection on ordinary citizens and business owners trapped in the struggle to make ends meet.

This is not fair! It is not just! It is not right... This feeding the greedy and starving the needy can only be sustained to the detriment of the people and the ability of their government to meet the facilitation and maintenance costs of an evolving society and a growing economy. The Super class that the P.M. mentioned in his budget statement cannot continue!

I totally agree that we must all pay our fair share of taxes, especially given the fact that Antigua and Barbuda is the least taxed CARICOM country. But paying no tax at all on billions of dollars in profits through decades of tax holidays and duty-free concessions from government is not fair. It is unfair to the native population... and we cannot continue like this.

Mr. Speaker, the Prime Minister, I am sure is true to his word and pure in his intentions regarding his philosophies of **ENTREPRENEURIAL SOCIALISM and EMPOWERMENT CAPITALISM**. However, they must not be clichés ... **they must be real and tangible policies that permeate the entire spectrum of the Antigua and Barbuda society.**

What about empowerment for the entrepreneurial dreams and capitalist ventures of all indigenous black people and businesses who still happen to be more than 70% of our population?

Mr. Speaker, the practice of dishing out duty free concessions on building materials to multi-millionaires and billionaires from other countries to construct luxury residences, represents an unnecessary giveaway of state revenue to persons who can afford to pay. It must be revisited immediately.

Mr. Speaker, we have private companies providing services to state-owned corporations under monopoly arrangements with tax holidays and generous duty-free concessions. These untendered, no-bid contracts yield profits in excess of Millions of EC dollars over years.

What is the fair share of taxes paid? Zero.

Mr. Speaker, we have owners of properties doing business with government on special arrangements that exempt them from maintenance responsibility for buildings leased to the state while allowing huge breaks on property and corporation taxes amounting to hundreds of millions of dollars over 30 years.

What is the fair share of taxes paid? Zero

We have the case of one business man, already a beneficiary of significant tax concessions, facilitated to set up a massive agricultural operation on 110 acres of Government land that has effectively crowded out 90 small farmers from the supply of fruits and vegetables.

Mr. Speaker, from the standpoint of good corporate governance, the Prime Minister also needs to deal with what appears to be the standard operating procedure of the Ministry of Public Works. This unjust procedure, waives tenders and competitive bids to hand out Millions of dollars from the public purse to a chosen few individuals and companies for road construction and repair; maintenance and refurbishment of public buildings: and procurement of goods and services.

Let us ensure a level playing field for entrepreneurial socialism and empowerment capitalism. The Public Works of Antigua and Barbuda paid for by the sweat and toil of the people of Antigua and Barbuda cannot be just for a privileged few. Let us ensure that the Antigua and Barbuda Labour Party remains properly aligned with the equality principles of human development that V. C. Bird championed. All shall eat. All shall rise.

Mr. Speaker, I listened to the member for Barbuda in this Budget Debate, passionately calling down the grace of God on the Prime Minister for his government's development initiatives in Barbuda. Trevor Walker loves Barbuda and the people of Barbuda; but so does Gaston Browne. This is a man I have travelled to Barbuda with on a number of occasions and the love he shares with the people of Barbuda is real.

I understand the passion of the Representative of Barbuda in this Honorable House. But in the cause of developing Barbuda and creating a better life for the people of Barbuda, the Member for St John's City West is not his enemy. Prime Minister Gaston Browne is his friend. There are differences of opinion but none of them so serious that they cannot be resolved through diplomacy and negotiation in which both honorable gentlemen are skilled practitioners. Sending guns and soldiers to Barbuda is not the answer.

The modernization of the Barbuda economy is as dear to the heart of Gaston Browne as it is to hearts of Trevor Walker, members of the Barbuda Council and the people of Barbuda. The suggestion that Barbudan's can return to farming and fishing at this point in the advancement of global affairs, is unfortunate. And the

threat of secession from this unitary state over arguments and expensive court battles between the Browne administration and the Barbuda council is extremely regrettable. The concerns over ensuring that Barbudan lives matter and will not be relegated to second class status as well as the environmental concerns arising out of the development plans of foreign investors, need to be urgently addressed and resolved.

Beginning today, Mr. Speaker, both honorable gentlemen need to put their differences aside and engage with each other in a mature, humane manner for the good of Barbuda, for the good of Antigua and most importantly, for the good of Antigua and Barbuda.

THE NEGLECT OF ST PETERS

Mr. Speaker, I turn now to the long standing on-going neglect of the constituency of St Peters and to call for funds to be allocated in this budget year to address the pressing infrastructure, health care, sporting facilities and other critical needs of the people.

Hansard records my 2019 presentation to this Honorable House on the deplorable condition of the St Peters constituency after 10 years of neglect under the UPP and more of the same for five years under the Antigua Labour Party. Yes, Mr. Speaker, the same Antigua Labour Party that has not lost a single election in St Peters since 1951. And the same St Peters, whose ABLP delegates voted unanimously for Hon Gaston Browne at the two conventions in which he contested the leadership of the party. What makes the constituents of St Peters so different from all the other citizens of Antigua and Barbuda? What justifies the discrimination against them? When will they receive their just desserts from the public resources in this parliamentary democracy?

The constituency was neglected under Hon Joseph Myers (Uncle Joe) for over 25 years. It was neglected under Hon. Longford Jeremy and for 16 years under Asot Michael.

St Peters has produced a number of outstanding citizens who have served Antigua and Barbuda with distinction. James Grayman in Triple Jump; Peltin and Daryl Greenaway in football; Radford Hill – former Attorney General; Collie Gardner - former general manager of Mill Reef; three permanent secretaries from the Weston family – Eden Weston, Cordell Weston and our very own Honorable Lennox Weston who is now an MP and a Minister, and their sister Teacher Weston... they have all made St Peter's proud.

So, come on Member for St. Phillips South, your navel string is buried in Parham, you are a well-loved son of the town... you used to teach me and Soraya and Therese-Anne at Sunnyside School... you are part of our family... surely, as Public Works Minister and Junior Minister of Finance, you can give me a little help with the constituency. I see you building concrete roads all over the place... what about us in Parham, Chuko? What about us?

Mr. Speaker, I stand for economic transformation capable of generating the opportunities that will allow constituents to do better for themselves, their families and their loved ones. In this regard, we envisioned a house of many rooms on the foundation of the St Peter's Trust - a non-political, non-profit organization through which we would transform the beautiful town of Parham.

The plan was two-fold. We wanted to restore Parham to its former glory in the eyes of all Antiguan and Barbudans while creating lasting employment and other economic opportunities for the people of St Peter's.

The Honorable Prime Minister is fully aware of the study that was done under the Lester Bird administration by the OAS for the complete refurbishment and modernization of Parham - the first town in Antigua and Barbuda.

The study provided a comprehensive plan to develop the waterfront, marinas, duty free shopping facilities, arts and crafts, historical buildings like the market, the post office, the police station and the St Peters Anglican Church – an Antiguan landmark.

We have been sitting on this national responsibility to develop a first class tourist attraction and international business community for too long. It is time to get the job done, not just for the people of St Peters but for all of Antigua.

If we can spend over \$36 million dollars a year to cut roadsides and keep our country clean, we can definitely find at least \$3 million dollars to start this project and help from friendly governments and multi-lateral aid institutions to expedite its completion.

Before both elections of 2014 and 2018, I engaged every single heavy duty equipment operator in Antigua and Barbuda at the cost of well over one and a half million dollars to my family, to clear cassie bush and hundreds of acres of land; clean out and excavate public ponds; grade dilapidated roads; purchase allin and stone for the roads; purchase street lights to put on state-owned lamp posts; repair and fix the Sugar Factory Cricket ground and the fence around the Parham football field, that the contractor has left unfinished to this day.

Mr. Speaker, the roads and sidewalks in St Peters, especially in the low-lying, flood prone communities of Paynters and Gunthorpes, are in deplorable condition.

Mr. Speaker, this constituency is the bedrock of the Antigua and Barbuda Labour Party. I am humbly appealing to the Prime Minister yet again to deliver the necessary infrastructure works, health care facilities and sporting facilities to the people of St Peters. They are sons and daughters of this land who pay taxes like everyone else and therefore deserve their fair share of the national pie just like their brothers, sisters and comrades in other constituencies.

Hon. Prime Minister my esteemed leader, with the greatest respect, as I have been saying for a number of years, I have a conscience... Injustice is injustice. The people of St Peter deserve a lot better than they have been forced to endure. They have been taken for granted by the party, now in government, that they have faithfully supported for more than six decades. It is not right. It is not fair. It makes a total mockery of representation in a parliamentary democracy.

In closing Mr. Speaker, I note the high-handed, undemocratic, unchristian moves within the leadership of the Antigua and Barbuda Labour Party to replace me as the representative for the St Peters constituency in this Honorable House. No one person can determine your National Worth. The people determine that. Our jobs as servants of the people is to transform and change their lives for the better, to

improve their standard and quality of life. What I am concerned about is what Antigua and Barbuda needs, it needs a team.

I will never pretend to be dishonest and say I have not made mistakes and may have said and done things in the past that may have offended people.

But, what I can say with all certainty is that we are all humans and every action has an equal and opposite reaction.

None of us are without sin.

But whatever I may have said or done has always been without any malice or hatred.

As a Christian of conscience in the healing grace of redemption, I say to my comrades of Labour, now is not the time for that. I came in peace; I serve in peace with love and devotion. Let all the fighting cease. Now is the time for the sons and daughters of Labour to bind together to consolidate the position of our great party in the governance of Antigua and Barbuda.

To be clear, Mr. Speaker, my service to this country as member of the Antigua & Barbuda Labour Party and Member of Parliament for St Peter's is rooted in the sacrifices of my parents and grandparents as stalwart supporters of the Antigua and Barbuda Labour Party to improve the quality of life of all citizens. I come from the bowels of Labour and the struggles to perfect this democracy.

In the dark days, when all seemed lost for Labour five decades ago, it was my father Patrick Michael who paid the stevedores and longshoremen from his pocket to prevent PLM trade union operatives from calling a strike to lockdown the country. In the early seventies, when Labour lost the election under the leadership of VC Bird, my father bought all the red cloth in St John's to line both sides of Market Street as a show of faith in the resilience of Labour. He was the only employer in Antigua and Barbuda who took his children to march with the ATLU every single Labour day. The union of Patrick Michael, Asot Michael and the Antigua and Barbuda Labour party is no accident. It is a product of dedication to the politics of Labour in the advancement of Antigua and Barbuda.

And so, Mr. Speaker, only the people of the St Peter's constituency should decide whether I continue as their representative and only the people of Antigua and Barbuda should decide when I hang up the boots of political life and call it a day. The idea of bullying a faithful, committed, loyal soldier of Labour out of this honorable responsibility, is unthinkable. Indeed, it is contrary to high ideals of love, forgiveness and human kindness on which our party stands.

I serve a righteous God and his people in this blessed land. In that cause, I stand firm for health, wealth, progress, peace, order, justice, a level playing field, and caring, accountable governance for all.

God Bless the Honorable Members of this House, the people of St Peter's and the people of Antigua and Barbuda.

Thank you, Mr. Speaker.