

THE

House of Assembly Debates

(OFFICIAL REPORT)

THIRD SESSION OF 1966-71

HOUSE OF ASSEMBLY

Tuesday, 30th March, 1971

Pursuant to the adjournment, the House of Assembly met at 2.45 p.m. o'clock.

PRESENT

His Honour Sir J. E. T. BRANCKER, Q.C., F.Z.S., (Speaker); Mr. L. E. SMITH, J.P.; Hon. K. N. R. HUSBANDS, J.P., (Minister of Trade, Tourism, Community Development and Youth Affairs); Hon. C. E. TALMA, (Minister of Health and Social Welfare); Mr. R. S. C. WEEKES, J.P.; Mr. W. R. LOWE, J.P.; Hon. A. DaC. EDWARDS, (Minister of Agriculture, Science and Technology); Mr. W. C. B. HINDS; and Mr. C. A. E. HOPPIN, J.P.

Prayers were read.

Mr. SPEAKER: There is nothing on my Notice Paper.

SUSPENSION OF STANDING ORDERS

Hon. C. E. TALMA: Mr. Speaker, I beg to move that Standing Orders Nos. 5, 14, 16, 18, 19, 40, and 45 be suspended for the remainder of today's sitting.

Hon. A. DaC. EDWARDS: I beg to second that.

The question was put and resolved in the affirmative without division.

GOVERNMENT BUSINESS

Hon. C. E. TALMA: Mr. Speaker, I beg to move that Government Business be now taken.

Hon. A. DaC. EDWARDS: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. C. E. TALMA: Mr. Speaker, I beg to move that Order No. 2 on the former Order Paper be the First Order of the day.

Hon. K. N. R. HUSBANDS: I beg to second that.

The question was put and resolved in the affirmative without division.

THE SUPPLEMENTARY APPROPRIATION (1970-71) ACT, 1971

Mr. SPEAKER: Order No. 2 stands in the name of the Rt. Hon. and Learned Prime Minister, and it is to move the second reading of a Bill to grant an additional sum of money out of the Consolidated Fund and appropriate the same for the service of the Island for the financial year 1970-71.

Rt. Hon. E. W. BARROW: Mr. Speaker, this is the second Supplementary Appropriation Bill which is being introduced in accordance with the provisions of the Financial Administration and Audit Act, 1964 and the Constitution of this country. I think we are making history today, because it is the first time that I am aware of, during my twenty years association in this Chamber that the Supplementary Appropriation Bill has been presented to the Legislature actually before the end of the financial year. Indeed, Mr. Speaker, you will readily remember that contrary to the provisions of the Letters Patent and the Royal Instructions before we had the Financial Administration and Audit Act, there was provision for Supplementary Appropriation Bills, but we had the remarkable spectacle of a ten year period in which no Supplementary Appropriation Bill was passed by the Legislature. What we have been doing is accumulating all the additional money Resolutions and presenting them to this Chamber in the form of money Resolutions in a consolidated form, instead of coming in week after week whenever somebody rattled a tin in some obscure Government Department, that he wanted something to buy additional stationery or more furniture or matters of that kind, or he had run out of any particular vote. We are trying to discourage them from doing that and we have a kind of additional Committee of Supply two or three times a year now, and this is much tidier, and that is why we are able today to present our second Supplementary Appropriation Bill before the end of the financial year.

All of the sums which aggregate the amount for which we are now seeking formal approval are \$3,341,018. All these have been passed by Resolution of this House. One might be asked why is it necessary

for us therefore to pass a Supplementary Appropriation Bill. The reason is very simple. It is to give the Other Place an opportunity to see what additional expenditure has been incurred during the course of the financial year, because according to our Constitution, the Other Place does not have even the right to review money Resolutions, but every Bill has to be passed by both Places and perhaps this is a useful opportunity for them when it comes to the Other Place to express opinions on expenditure of Government Departments and so on. As I said, we have debated all these matters before.

I therefore beg to move that this Bill be now read a second time.

Hon. A. DaC. EDWARDS: I beg to second that.

The question was put and resolved in the affirmative without division.

On the motion of Rt. Hon. E. W. BARROW, seconded by Hon. A. DaC. EDWARDS, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. HOPPIN in the Chair.

Messrs. ADAMS and St. JOHN entered the Chamber and took their seats.

The Preamble was postponed.

Clauses 1 to 4 inclusive were called and passed.

The Schedule was called and passed.

The Preamble was called and passed.

On the motion of Rt. Hon. E. W. BARROW, seconded by Hon. C. E. TALMA, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.
2.55 p.m.

On the separate motions of Rt. Hon. E. W. BARROW, seconded by Hon. A. DaC. EDWARDS, the Bill was read a third time and passed and cited as the Supplementary Appropriation Act, 1970-71.

RESOLUTION TO AUTHORISE THE MINISTER OF FINANCE TO BORROW FROM ANY BANK OR BANKS AMOUNTS NOT EXCEEDING 10% OF THE ESTIMATED CURRENT REVENUE

Rt. Hon. E. W. BARROW: Mr. Speaker, this Resolution was given notice of about three weeks ago, and it was read a first time on the 2nd March; it was also circulated then. By the provisions of section 23(1) of the Financial Administration and Audit Act, 1964, Parliament may from time to time authorise the Minister of Finance to borrow by means of temporary finance from a bank or banks money to an amount not exceeding in the aggregate the sum specified in that behalf in the Resolution to meet the current requirements of the Government. I should like to explain the reason for this Resolution which is a very simple one - as a matter of fact, Mr. Speaker, we do from time to time, from day to day, meet our commitments by drawing upon the joint Colonial Fund, and all the overseas Governments

borrow from one another from time to time through the Crown Agents, and this is a daily transaction. At 4 o'clock in the afternoon, the rate of interest which we pay on our daily borrowings is worked out on the basis of what is known as the London daily average. This is a very useful device for us who are in finance and overseas territories, because without issuing Treasury Bills or going into any short term security borrowing, we can frequently get money to meet our daily requirements, particularly the payments of bills overseas on a rate of interest which most of the time is some 2% or 3% below the rate of short term securities. The London daily average now may be averaging 1 3/4% or 2% below the short term borrowing rate, so this is not a new exercise for a Minister of Finance to borrow money from day to day or from month to month, and the security, which we have for this, is of course our securities in the United Kingdom which amount to maybe some £6 million, and we borrow against the Revenue Equalisation Fund and various other investments that we have, and similarly our surpluses, which we have, may be borrowed by other Governments.

Since we have changed up our methods of collection of income tax, and now we have taken over Local Government and we have also taken over the collection of the rates and trade tax which normally would have been the responsibility of the Local Government authorities, we have from month to month much larger commitments to meet in respect of wages and local expenditure. Our receipts usually come in after the voluntary compliance of personal taxpayers' income tax during the months of April and May, because one has until the thirty-first day of March in each and every year to file returns and make payments under the voluntary compliance system of personal assessments. If their books are closed at the end of the year then the 31st March is the date for them as well, and generally speaking between January and the 31st March which is the end of the financial year, you have what I like to describe as systematic rates, I do not mean in a wrong sense, on the Treasury, in that departments who find that they still have some money in the vote book come alive to this fact towards the close of the financial year and they send in Requisitions to incur Expenditure in order to absorb as much of the unexpended balances as possible. This is a normal human reaction and it happens in every Government, and the reason for the underlying cause for this kind of activity is very simple, because they know that when they come back for appropriations in the following year, unless they can demonstrate that the money which was voted for them in the previous year has been expended that they are likely to get the financial axe and have their requisitions cut back, so you will find between the beginning of April and December you will have a normal level of expenditure and then from January to March we get these raids made on the Treasury for unexpended balances of votes which have been appropriated for specific departments of Government.

If the collection of taxation was an even procedure there would be no need for us either to go to the Crown Agents in London or to the local banks

in order to borrow money, but the money comes in particularly heavily at two different periods of the year, usually during the months of April and then when the Christmas goods are ordered, say September and October, and also because of our system of allowing people to pay motorcar licences and property rates in two instalments and the balance of income tax in two instalments, you get two distinct peak periods, let us say, April and September and October both from the Inland Revenue side and the Import Duty side.
3.05 p.m.

During these two periods you get very heavy deposits to the accounts of the Treasury of this Island, but in the other months when we have an equal rate of expenditure maintained in the payment of salaries, wages and so on, then the revenue tends to fall.

Now, the purpose of this Bill is to enable the Government, instead of sending to London to borrow money, where the transfer cost is something one cannot ignore, to have an arrangement with the local Banks where we would be able to get overdraft facilities during the months when revenue payments are low. I do not like selling Government securities in order to meet short-term fluctuations in revenue. I think this is a very unsatisfactory state of affairs. This procedure is regular, and it has been authorised by the Financial Administration and Audit Act, but we have not taken advantage of it before chiefly because on the taking over of Local Government and so on, we found that we are always able to maintain some kind of balance with the Banks. We have overdrawn from time to time, but it was only drawn to my attention at times when, perhaps, the money has been repaid to the Bank. I should like to regularise this, so that we do have authority to make temporary loans from the local Banks, whether it be the Central Bank or the Commercial Banks.

I beg to move that this Resolution do now pass.

Hon. A. DaC. EDWARDS: I beg to second that.

Mr. ADAMS: Mr. Speaker, while nobody would deny the need of the Government, since the Prime Minister has so carefully explained that their cash flow is not uniform throughout the year and it is necessary to raise money from time to time to meet their commitments, we on this side of the House must still indict the Administration and the Ministry of Finance for failing to anticipate the requirements and needs of the Government for cash at this time of the year.

I am informed that up to yesterday old age pensioners were still finding it difficult to get money. Old age pensioners are paid on Wednesdays, and up to last week the old age pensioners were finding it difficult to get money. This is information which comes our way and, no doubt, the Prime Minister will affirm or deny it. The monthly pensioners, I understand, have in many cases not received their cheques, so I am informed. The Government at the

moment in many Government Departments, even more than usual, are showing their incapacity to pay for their existing services in March.

Mr. Speaker, when this particular Government came into power, one of the platform arguments, which were used, during the then campaign was that there was no money in the Treasury. I gather, from what the Prime Minister is saying, that at the moment there is no money in the Treasury, and he wants to borrow some. He has not used those words,

Rt. Hon. E. W. BARROW: On a point of order, Mr. Speaker. I never said that. My predecessor in office, as Premier made that statement in this House during the month of April. I have not said that there is no money in the Treasury. Although I now understand, for the first time, that the old age pensioners have not got their pensions, I understand that the senior member for St. Thomas has drawn his salary, which is more than what the old age pensioners get; so we must have had some money to pay him.

Mr. ADAMS: Mr. Speaker, I would not know one thing about that. If my salary is paid or not paid, I do not know about it until long after when I have studied my Bank Statement. What the Prime Minister is saying is that the senior member for St. John got his salary. It is only when he is sure that he has got his that he could think that other members of the House have got theirs. At least I do not depend upon my salary to go to the shop to buy the wherewithal of life when the Thursday or Friday comes. If I were an old age pensioner trying to get some money on a Wednesday, and knowing that I had to pay something on my shop bill on a Friday, it would not help me in the slightest to know that there was enough money in the Treasury to pay the Prime Minister and members of the Opposition but not enough to pay me.

Sir, the Prime Minister said how convenient it was to borrow money from other overseas Government prevailing below the Barbados short-term rate. I listened carefully to his speech to hear if that was what he intended to do by virtue of this Resolution. This Resolution talks about Banks, but it does not say anything about borrowing from other overseas Governments.

Rt. Hon. E. W. BARROW: On a point of order. If the Hon. member will give way I will explain the position. I was trying to explain to the hon. member how we meet our daily commitments now, but this is in respect of local borrowing from the Banks locally and not from overseas Governments. All of the Governments accommodate one another from day to day, and it is not really borrowing in the technical sense of the term.

Mr. ADAMS: Sir, the only rate of interest we have heard about is the daily London average. It usually runs less than the Barbados Banks short-term requirement. That is all we have heard about, we have not heard what rate of interest the Government proposes to pay for this particular borrowing as set out in this Resolution. I hope that, at some stage,

the Prime Minister will indicate to hon. members at what rate he expects to have to pay for the money authorised by this Resolution. Let us not misunderstand things. This is authorising the Prime Minister to borrow \$10 million, and that is 10% of the current revenue. That is a lot of money, Sir.

That amount, if borrowed and left there for any length of time and considered as part of the public liabilities of this Island, will raise the public debt by 15% by itself. Now, \$10 million is being sought. This is as much money as will finance the whole Capital Programme at the rate at which this Government actually spends per year. Sir, this is not any small accommodation for any four o'clock funds that are needed for a day or two. This is not like a businessman in Bridgetown wanting some money late in the afternoon to cover a draft. He may pay in for three or four days, but he needs the money quickly. I would not like to say what all of this money will be needed for at this stage. I know that the Democratic Labour Party is proposing to have a Convention at which it is proposed to put a levy on every member. That is going to be one of the items which has not been published. Maybe this is part of the levy to assist with advances to Ministers. I do not know, Sir. Nobody listening to the Prime Minister's speech could appreciate, first of all, that we are being asked to borrow probably at the highest current rate of interest, despite the absolutely cast-iron nature of the security, and we are being asked to approve the borrowing of this great sum of money.

Sir, I have already spoken in here about the National Insurance Fund. There is a lot of money in that Fund. What kind of economic sense does it make for the National Insurance Fund to be paying out no benefits comparable to what is paid in; putting the money in the Bank at 7% fixed deposit, and then the Government going and borrowing the National Insurance money from the Bank at 9%? In other words, we are giving the Banks 2%. That is what is going to happen.

3.15 p.m.

Rt. Hon. E. W. BARROW: I would like to assure the hon. member that it is not my policy to use any national insurance funds except on long term Government debentures. The second thing is that when we have fixed deposits, there is a certain amount of liquidity attached to them and the current rate is about 7 1/2% to 7 3/4%. It is not our policy to directly use national insurance funds for the day to day requirements of the Government. It has never happened and as long as I am Minister of Finance I am not going to encourage national insurance to put money into the Treasury. I prefer to have it in the commercial Banks and even if Government Departments like the Transport Board may have to borrow back some of the money and pay a little more for it, I feel better that way. I have no intention of using national insurance funds for current expenditure purposes of the Government. If we put out a bond issue of \$10 million or \$20 million of the National Insurance Board which is to take up some part of that, I would not object to that on a long term basis. I just want to make that position quite clear.

Mr. ADAMS: And let me make the position clear that we on this side support the Prime Minister entirely on that. But the Prime Minister must listen to the argument. What kind of policy is it to put national insurance funds on fixed deposit at a Bank and then borrow them back? The funds should be used to finance some of the \$29 million in capital borrowing as authorised in the Estimates which we have just passed. The national insurance funds should be used to finance the long term development of Barbados, not merely to provide money in the hands of the commercial Banks to lend out to the Government itself again at some point. What is the necessity of the liquidity in a year's time? To get 7 3/4% - it seems a very high figure to me - it means you have to leave the money there for a year or longer. Money is flowing in every day. What is the present scale of benefits? The idea is not to spread it around all the commercial Banks, because it started out as a small deposit, and then Barclays Bank, Hincks Street, had to get some, and then it went to all the different Banks. What started as a deposit at one Bank in the interest perhaps of liquidity has spread to all, because if you increase the benefits you must have some cash there to pay out, although my impression was that the national insurance fund was supposed to be a fund, whose income would cover its cash liabilities, therefore the question of liquidity should not normally arise, and the income does cover the cash liabilities now any way. This money was put out in the interest of letting every Bank have some, therefore the amount that was initially needed for liquidity was multiplied by five or six or seven in the interest of all the Banks having some, and it is there now.

I repeat, Sir, what kind of economic sense does it make to lend out the national insurance money at 7 percent and borrow it back at 8 1/2% or 9%? Nobody could want the national insurance money put into the Treasury to pay salaries or pensioners, but the money should be left on long term security of a Government type to free the Government from having to cover its capital programme for current expenditure at all and thus tide it over these difficult periods when the cash flow is too little to meet the Government's day to day liabilities.

Sir, the Prime Minister said that the end of March was the time when the income tax money would come in. I most sincerely hope not because if it is...

Rt. Hon. E. W. BARROW: May I just correct the hon. member if I said so, but I am sure I did not. I said that the returns are due by the 31st March and the money starts coming in between April and May. The returns have to be filed with voluntary compliance by 31st March, but really the money starts coming in during April. The companies are different from private individuals, but the money really comes in, in April, not in March.

Mr. ADAMS: I was trying to correct the impression that the Prime Minister gave. I am glad that

he has corrected it himself. It is in fact the end of April that you file your returns and half of the money has to be paid, and therefore one presumes that this financing would be necessary for the whole of the month of April or a part of the month of April at least. You are bound to collect during April \$10 million to \$12 million in income tax. I believe that is a generous estimate. You may collect \$15 million. (Asides) The Prime Minister has corrected me. You are looking to collect during April \$13 million in income tax, plus perhaps the arrears, plus the ordinary cash flow of P.A.Y.E. that comes in at the end of every month. There must be P.A.Y.E. amounts going to fill up the Treasury today. A lot of that must be running in now at this minute. Rates and taxes are running in. Why then is it necessary to borrow \$10 million? Why do you want authority for \$10 million? It is a lot of money.

Rt. Hon. E. W. BARROW: I just want to make it clear. This is an Act of Parliament passed in 1964, the Financial Administration and Audit Act which says that the Legislature can authorise the Minister of Finance to borrow from the Banks certain sums of money, the proportion or the amount to be fixed by the Legislature. All we have done is to say we would like permission to borrow up to \$10 million which I consider reasonable to our total anticipated revenue. We are spending \$99 million; so I suppose by process of deduction or arithmetic, no higher mathematics involved, you work it out roughly at \$10 million. It is unlikely that at any one time we would need to have more than \$2.5 million in overdrafts.

As far as the 9 1/2% and 10% the hon. member talked about is concerned, we have no intention of paying that kind of interest, because it is short term and it will have to be well below 7% or 7 1/2% that they pay for the national insurance on fixed deposit, because it is very short term borrowing, and they cannot expect us to pay more for short term money than they pay us for Treasury Bills which are on 90 or 91 days fixed period. So there is no danger of our paying more than 8% at all. I would like to assure the hon. member that as far as I can see from the cash flows for last year, about \$2.5 million, \$2.6 million and possibly \$2.8 million will be the kind of margins we will have to play about with. There is no point in fixing something with precision here at \$2.89 million and then find out in June or July that we need \$3.7 million; so we said not more than 10 per cent.

Mr. ADAMS: The Prime Minister has written some new laws of banking, that the shorter the term, the lower the rate. I was always taught that Banks work on the system that the longer the term, the less liquid the money. I am sorry. I misunderstood. What with March 31 being the day for Inland Revenue, that threw me down a bit.

Sir, the other point I would like to draw to the attention of hon. members is that this is a permanent Resolution. That is a Resolution that will always entitle the Minister of Finance to borrow this amount of money. If during an election period the cash flow

of the Government would not permit a crash programme and the House of Assembly was not in session - because do not forget, that they can prorogue the House, and the salaries of all hon. members except those of Ministers will be ended, but the Ministers will get theirs, I believe, even past the day when they lose their seats, and until a new Government is sworn in, the Ministers can be there with no House of Assembly to be responsible to.... 3.25 p.m.

Rt. Hon. E. W. BARROW: I do not think the hon. member should mislead the House or the general public with that, because the money which we borrow from time to time will be to meet requirements of Government as have already been approved by the Legislature. No Government can get a rush of blood and say we had better start a crash programme and get \$10 million, when we had our crash programme in 1961, we came into the Legislature and asked for \$250,000 to carry out a crash programme before Christmas. I cannot borrow money to spend for purposes which are not authorised by Parliament, the hon. member should be better acquainted with the Financial Administration and Audit Act than that, I do not need to borrow money to speed up, all we have to do is get the Civil Servants to do the work.

Mr. ADAMS: Sir, when of course one is dealing with a Resolution introduced by the Prime Minister the whole exercise becomes a dialogue rather than two speeches, but nevertheless, I believe, I can deal with these points of order without having to indict them as non points of order. We on this side have to be very suspicious of Parliamentary control and the belief of the Government of Parliamentary control of expenditure after the Prime Minister's reply to the second reading of the Appropriation Bill, because his reply on that occasion to justify the inflation of the Capital Estimates was that a political party has to put up a programme to the people, and the place that it shows the programme is in the Capital Estimates, and even if they do not have the manpower and the personnel to spend all the money they still have to vote the money to help their programme and their image. What now is to prevent the Prime Minister even though you know you do not have the Engineers to carry out a particular project, hiring for electoral purposes a pack of yardfowls and spending some of the Capital Estimates money out of funds borrowed by virtue of this Resolution? That is the kind of thing that can happen. Close to election time, all of a sudden, you will hear the Ministers get up on the platform, just like the hon. junior member for St. Thomas - God bless his heart, he is not here now - telling the people in Shop Hill in the last election "do not worry, the Barber Green machine will be here next week"; well the Ministers will be able to say that and do it.

Mr. SPEAKER: The Barber Green machine being in Shop Hill next week or last week is quite irrelevant at this stage.

Mr. ADAMS: I am sorry, Sir, I thought that all this was the Government's money; as far as I know there is no Barber Green machine in private hands,

and I thought that the use of Barber Green machines was controlled by the expenditure of the Government, but nonetheless, Sir, that is what you have to be afraid of. Enough leeway, enough slack, enough room has been given in the Capital vote for crash programmes, pretending to be of a Capital nature when in fact and in reality they are only of an electoral nature; that is what you have to be afraid of in this context. All over the Estimates, not only in the Capital programme, but in other parts of current expenditure you will find that money has been paid back to the Treasury at the end of a year. Sometimes you come for a supplementary and the supplementary is more than ample for what it was needed for, and parts of the supplementary have to be paid in. You only have to study the Estimates, Sir, and you will see supplemental appropriations not fully spent, and when you allow these large-scale borrowings by the Minister, any question of there not being a sufficient number of authorised channels of expenditure will go by the board when people get desperate under certain conditions.

I will be very glad of course, and I am always glad to see money spent on Capital works for the good of the people of Barbados, but I sincerely hope that the Minister of Finance will not allow himself to be dragged further down the road to financial misbehaviour which is so frequently suggested that this Government has been indulging in, by using these borrowings at any stage in this year to carry out any programme not of current, not of capital, but of electoral works. I very much hope we will not see that, this power has to exist, 10% is an extremely high figure, 10% of the estimated current revenue of the Government, there is nothing in the Resolution saying that the Government will not be free to use money left in the Consolidated Fund for Capital purposes while using these for current purposes. It makes it possible, in my submission to the House, for that weakening of financial control which no elected Assembly ought ever lightly to accept, especially at a time like this in its life.

We on this side would like to see the figure lower, but subject to an explanation of that, we on this side would like to say that the Minister of Finance should not be entitled to borrow, it obviously is a power that has to exist, but we think that this particular power is one in advance of any that could be needed.

Mr. ERNEST MOTTLEY: Mr. Speaker, looking at it myself I am wondering about it and the first thing I should say is this, that I agree the shorter the term of the loan, the higher the interest will be, but now that you have in Barbados American banks, Canadian banks and English banks, I hope the Government will not deal with any one bank, but will have it as competitive as possible. We have had this experience where banks got together and decided that they would charge a particular rate - I got this as inside information when I was administering Local Government in the City - and I threatened then to let the Canadian headquarters know that their banks here were not competitive at all as far as

lending money was concerned, I suppose the Prime Minister would know about this.

One other point I would like to make, and it is this, that during my time of administering Local Government, you were limited to a percentage, and I think it was 1/12 of what you had to spend per month. This Government limited it to 1/12.

Rt. Hon. E. W. BARROW: If the hon. member would give way, I think I used to authorise this to 8 1/2%; the Local Government Authorities with the approval of the rate, were authorised to spend not more than 1/12 or 8 1/2% monthly of what they collected in the previous year, which is the same thing that we are doing now. We have 10% instead of 8 1/2%, but that was from month to month and this is during the course of the whole year; this is not on a monthly basis, the expenditure of Local Government was on a monthly basis.

3.35 p.m.

The expenditure of the Local Government Authorities was 8 1/2% of the total revenue for the previous year on a monthly basis, pending the laying of the rates. It was not that they could not spend 8 1/2% until the Local Authority rates were approved. They had permission to borrow 8 1/2% per month. If the Minister of Finance kept them until October to approve their rates they were not limited to an expenditure of 1/12 of what they had spent, but 1/12 per month.

Mr. ERNEST MOTTLEY: You were limited not to spend more than that amount per month, but you are asking for 10% here.

Rt. Hon. E. W. BARROW: On a point of order, Mr. Speaker. The distinction I am making is that in truth and in fact the Local Government or the rate fixing authority could spend up to 100% in 12 months in the very unusual circumstances where the rates may not have been approved. Obviously they had people to pay and they would need to have money. The Local Government was not of the same political complexion as the Central Government and they would not be hamstrung so that their employees would go without their salaries, so they were allowed to spend 100% of their previous Estimates.

Now, this Bill is to authorise the Minister not to spend per month, but not to have more than 10% of the total approved expenditure at any time outstanding. In other words, I could not have 120% of our approved expenditure by the 31st March, 1972. It can only be 10% in the aggregate. Some months I would not need to have any money at all.

Mr. ERNEST MOTTLEY: Mr. Speaker, in April \$14 million will be coming in, in direct taxation. People must pay half of their income tax by the 30th April. I agree that you cannot take the 10% and spend it at one time on something that is not authorised by the Estimates, but we hope you will not spend it in three months on any programme that could be spread over a long period. I feel that at present you should have the right to borrow money to carry on things

So far as the Social Security money is concerned the Prime Minister should give consideration to the question of investing the money on fixed deposits at 7 3/4%. I am sure he would not like to go and borrow money at a rate not exceeding 10%. I hope that he will make this a competitive affair among the Banks, especially when the American Banks are here. I hope that he will be able to borrow money at a very much lower rate. How much per month does it take to run the Civil Service and the General Services?

Rt. Hon. E. W. BARROW: About \$ 12 1/2 million a month.

Mr. ERNEST MOTTLEY: About \$ 12 1/2 million a month? I am not talking about borrowing money to service capital. Do not talk nonsense!

Rt. Hon. E. W. BARROW: On a point of order, Mr. Speaker. In answer to the hon. member's question, looking quickly through my figures from April to December, 1970, the total payments were \$131 million, and they went up in April when we had a surplus of \$10 million at the end of April. In May we had nearly \$15 million; in June \$15 million; in July \$18 million and so on. We spent \$11 1/2 million in April. We spent the lowest figure when we had the most money coming in. In April we had a surplus on the cash balance of \$10 million at the end of April, but we spent the most money in April as well. The Estimates had just been approved, and civil servants had just started ordering new desks, stationery, steel for the Public Works Department and so on. The less money spent between April and December was in April. We had a cash balance of \$10.4 million then. In other words, the two things do not balance. When you have the most money coming in you have the least expenditure, and when you have no money coming in you still have a high level expenditure. The time, when the goods start arriving, is the time when you get the least amount of money in the Treasury. This is something normal.

Mr. ADAMS: Mr. Speaker, is the Prime Minister saying that the Government spent \$131 million in 9 months in the last financial year, when he estimates for an increase in almost every Department and still does not reach \$131 million in the next 12 months? The present Estimates are only for \$128 million for 12 months including capital. Are you saying that the Government spent last year more than what appeared in the Estimates? Have you spent \$10 million more than we see in the Estimates?

Rt. Hon. E. W. BARROW: Mr. Speaker, I have here the sum of \$131.6 million as payments made between April and December last year. A possible explanation of that may be that we refund drawbacks and Inland Revenue refunds and so on and they could account for the difference, but these are the figures I have before me. If the hon. member wants a further explanation, I could ask the Accountant General to

give him a breakdown and he can come to my office at any time and see the figures.

Mr. ADAMS: Mr. Speaker, on a point of order. What figures could there be? You are referring to expenditure in the Estimates, shown as \$88 million Current, and the Capital Expenditure is \$16 million. Those are the authorised figures according to the Estimates, which must be the Bible of Finance as far as the House is concerned. How could \$131 million be spent out of the authorised expenditure of \$104 million?

Rt. Hon. E. W. BARROW: I will give you a breakdown. In 1969-70 it was \$95 million. In April to December, 1970, the Current Expenditure was \$65 million which is below the authorised amount, but the Capital Expenditure was \$10.9 million, but there is a column here that I was looking at which says "Total payments \$58.156" and then they added total payments to the current expenditure and capital expenditure and they got \$131.6 million. I do not quite understand how the total payments came to be added to capital and current expenditure. The Accountant General sent me this paper and he has current expenditure \$65 million, capital expenditure \$10.9 million and then he has total payments \$58.156 million.

Mr. ADAMS: On a point of order, may I ask the Prime Minister if these are the same figures which when produced recently in court, the Attorney General or one of his deputies admitted that there was a discrepancy of \$4 million between those and the Government's bank account at Barclays Bank?

Mr. SPEAKER: No point of order.

Rt. Hon. E. W. BARROW: I was not in court. It appears to me that the first two columns are the correct ones. I honestly do not understand what he means by total payments and why he should add these. I can show you the sheet. I was reading from the far right hand column, and he has added what he calls total payments to capital expenditure and current expenditure. I took the totals on the far right hand side which are \$131.6 million and I really do not understand what that \$58 million represents, whether he meant payments in and payments out. It could be that.

Mr. ERNEST MOTTLEY: I suppose the Prime Minister will look into this very carefully. This could not be right anyhow. Anyway, Sir, I am sure the Resolution which we are going to pass will give the authority to the Minister of Finance to borrow this money from time to time. What I would like to suggest is that you do not go and borrow money just to embark upon capital expenditure when you can wait until taxes come in, because interest on large sums certainly amount to a lot of money, and if we can wait to embark upon capital works, as long as you can get your \$8 million a month to carry on the services and so on, then you will be able to embark on capital works. I think that is all I have to add. It is very easy for people to criticise when other people are administering and say as has happened in my case that it

is not necessary to borrow. The Prime Minister himself has said that you owe away so much money. You are bound to owe away money if you are running a Government, otherwise you are not running a proper Government. Let us hope that the Prime Minister will not find himself in the position that when the \$10 million are borrowed, all will not be liquidated at the end of any year, because this Bill would have to be amended. I hope the Prime Minister has heard what I am suggesting. This Bill stands once and for all; it is not for this year alone.

Rt. Hon. E. W. BARROW: Until the House changes it. The House can change it downwards or upwards by another Resolution, but until the House changes it, it remains the maximum which the Minister is allowed to borrow.

I think the figure of \$131 million, which I gave, represents payments in and out for the period, but he has got it down as total payments. As I said, from the cash flow position I have seen, I doubt very much whether more than \$2 1/2 million will be borrowed at any one time.

Mr. ERNEST MOTTLEY: I am very happy to hear that, because it means we would not have to pay the interest because if you are paying interest at 10% on \$10 million, that is a lot of money; and I doubt very much you are going to get it at less than 7%, and that would be \$700,000.

The question that the Resolution do now pass was put and resolved in the affirmative without division.

RESOLUTION RE LEASE OF LAND TO CARIBBEAN METEOROLOGICAL COUNCIL

Hon. C. E. TALMA: Mr. Speaker, I beg to move that Order No. 8 standing in the name of the Leader of the House, be the next Order of the day, and I am asking leave to deal with it.

Hon. N. W. BOXILL: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. C. E. TALMA: Mr. Speaker, this Resolution is seeking the approval of the House of Assembly to lease all that certain piece or parcel of land (part of the lands of Husbands Plantation) situate at Husbands in the parish of Saint James in this Island containing by admeasurement 14 acres 2 roods 3 perches or thereabouts abutting and bounding on three sides on other lands of the Government being the remaining lands of Husband's Plantation and on the public road leading from Cave Hill to Holder's Hill or however else the same may abut and bound together with the buildings and erections thereon.

The lease is for a period of 99 years at a Peppercorn rent of \$1.00 per year.

It is for the upliftment, advancement and benefit of meteorology in the Caribbean. At present, Sir, the Caribbean Meteorological Institute has been sited at Husbands on approximately 15 acres of

Government owned land, and it is proposed in accordance with an assurance given to the Caribbean Meteorological Council to lease the land as described in the Schedule to them for a period of 99 years at a peppercorn rent of \$1.00 per year. The Meteorological Council was incorporated by the Caribbean Meteorological Council Corporation Act, 1968; the Local Government has entered into this agreement and we are merely complying with the assurance given.

3.55 p.m.

I beg to move that this Resolution do now pass.

Hon. N. W. BOXILL: I beg to second that.

The question was put and resolved in the affirmative without division.

AMENDMENT TO THE MEDICAL REGISTRATION ACT, 1971

Hon. C. E. TALMA: Mr. Speaker, I am asking leave to deal with an amendment made by the Other Place in respect of the Medical Registration Act, 1971. The amendment is a very simple one which is to delete section 16 which reads as follows:

"No medical practitioner shall be liable in any action for negligence or mal-practice unless such action is commenced within one year of the date on which the services in respect of which the action is taken terminates"

In other words, the medical practitioners were being placed in a privileged class, so that no action for damages for negligence could be brought after the expiration of one year. The old Medical Registration Act makes no such provision, it can be brought at any time in the future, and in passing this amendment it would be merely bringing our legislation in line with the practice in the United Kingdom, Australia and New Zealand, but their legislation does not exempt medical practitioners from actions for negligence in the performance of their duties. There is no reason why doctors should be placed in a privileged class in contra-distinction to engineers, dentists and other professional people, and it is only in Trinidad that this piece of legislation appears; in other words, there is a time limit, so that we are bringing it in line merely by deleting section 16 and consequentially, renumbering the subsequent sections. I beg to move that the amendment be now read a first time.

Hon. N. W. BOXILL: I beg to second that.

Mr. ST. JOHN: Mr. Speaker, I was not here when the original Bill was passed so I do not know what contribution was made by members of this House, but I understand that members made a query about the question of the special limitation period which was introduced by the Act and in fact placed medical practitioners in a special category. I am in agreement with the amendment proposed by the Other Place, because the fact of this is that the normal

six year period of limitation will now apply as against any action for negligence against any medical practitioner, and the justice of this is quite clear because it may take one a considerable period longer than a year to discover that one has suffered as a result of negligence, so I do not see anything wrong with it.

Rt. Hon. E. W. BARROW: Mr. Speaker, the only thing that surprises me is this, that so many members of the legal profession could have sat here in this House and allowed this Bill to go through in the form that it did. Unfortunately I was not present when the Bill was passed, because my voice would have been loud in protest. It is true that it did go through Cabinet but I understand, with all due respect, Sir, that the hon. junior member for St. Joseph raised it, it is a pity that people did not pay attention to him, but quite honestly I had intended if I had been here I would have objected to that because I read it with my papers, and I think that the doctors have enough privileges in this community already. They have the privileges of burying their mistakes, whereas we in the legal profession do not have such privileges, and such as we may have, may shortly be removed when there is fusion of the two branches of the profession. I believe in an egalitarian society, I do not see why members of the medical profession should be in any better position than any other practitioner of any of the learned profession in this island.

I just thought I would mention that we should not have allowed it to go to the Other Place in that form at all, it is our fault.

Mr. BOLDEN: Mr. Chairman, I am glad the Hon. Prime Minister has spoken on this amendment, because when it came before this Chamber, I criticised the limitation which was being placed on persons who would have to bring action against the doctors, and I was rudely slapped down by somebody saying that I made a valuable contribution and that I was hoping to gain my spurs too early, and I am very glad that the Prime Minister has appreciated that one does not have to be in here for any number of years before one can foresee any difficulties which are being presented in a Bill of this nature, and I am glad that the other Chamber has seen fit to send it back so that my action is now vindicated at this stage.

The question that this amendment be now read a first time was put and resolved in the affirmative without division.

On the separate motions of Hon. C. E. TALMA seconded by Hon. N. W. BOXILL, the amendment was read a second time and agreed to.

GOVERNMENT NOTICES

Hon. C. E. TALMA: Mr. Speaker, I am asking for leave to give notice of the following matters which should have been given at the commencement. I refer to Government Notices which were unavoidably late.
4.05 p.m.

MESSAGE NO. 2/1971 re GOVERNOR-GENERAL'S ABSENCE ON LEAVE

Rt. Hon. E. W. BARROW: Mr. Speaker, I wish to make a statement on Message No. 2 of 1971 regarding the Governor-General's absence on leave from this Island.

HIS EXCELLENCY THE GOVERNOR-GENERAL
TO
THE HONOURABLE THE HOUSE OF ASSEMBLY

His Excellency the Governor-General has the honour to inform the Honourable the House of Assembly that, accompanied by Her Excellency Lady Scott, he will be proceeding on vacation leave abroad from the 26th of April to the 25th of May, 1971.

2. Under the provisions of section 29(1) (b) of the Constitution, the Chief Justice, The Honourable Sir William Douglas, will act as Governor-General.

(Sgd.)

A. WINSTON SCOTT,
GOVERNOR GENERAL.

Government House,
Barbados,
30th March, 1971.

PAPERS LAID

Rt. Hon. E. W. BARROW: Mr. Speaker, I am commanded to lay the Civil Establishment (Part-Time Officers) (Amendment) Order, 1971.

GOVERNMENT NOTICES

Rt. Hon. E. W. BARROW: Mr. Speaker, I beg to give notice of a Resolution to give effect to the Civil Establishment (Part-Time Officers) (Amendment) Order, 1971.

Mr. Speaker, I ask leave to give notice of two Resolutions which stand in the name of the Hon. Leader of the House.

Mr. SPEAKER: Leave is granted.

Rt. Hon. E. W. BARROW: Mr. Speaker, the first is a Resolution to approve the lease of land at Seawell Christ Church to Texaco West Indies Ltd. and Shell Antilles & Guianas Ltd.

The second is a Resolution to approve the compulsory acquisition of a parcel of land situate at Orange Hill, St. James for the purpose of housing development.

I wish to give notice, on behalf of the Hon. Minister of Communications and Works, that the replies to Parliamentary Questions No. 127 and 143 are ready, and on behalf of the Leader of the House that the reply to Parliamentary Question No. 155 is also ready.

Hon. C. E. TALMA: Mr. Speaker, I beg to give notice that oral reply to Parliamentary Question No. 156 is ready.

BILL

Hon. N. W. BOXILL: Mr. Speaker, I beg to give notice of a Bill to amend the Sugar Workers (Provident Fund) Act, 1968.

Hon. C. E. TALMA: I beg to second that.

The question was put and resolved in the affirmative without division.

Hon. N. W. BOXILL: Mr. Speaker, I beg to move that a Bill to amend the Sugar Workers (Provident Fund) Act, 1968, be now read a first time.

Hon. C. E. TALMA: I beg to second that.

The question was put and resolved in the affirmative without division.

Mr. ST. JOHN: Mr. Speaker, the Leader of the House had agreed last time that we would give an hour or an hour and a half to terminate debate on a Private Members' Resolution, but I do not know what is happening today. The Leader of the House said that was one of the reasons why we were coming here today.

Hon. A. DaC. EDWARDS: Mr. Speaker, I told the hon senior member for Christ Church earlier today that the Leader of the House is ill, and we were not prepared to deal with it today. The Hon. Leader of the House wants to speak on the Resolution.

Mr. ST. JOHN: When you are ready, I am ready.

ADJOURNMENT

Hon. C. E. TALMA: Mr. Speaker, this concludes Government Business.

I beg to move that this sitting be now adjourned until Tuesday 20th April, 1971, at twelve o'clock noon.

Rt. Hon. E. W. BARROW: I beg to second that.

The question was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the sitting accordingly.

4.10 p.m.