

THE House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1971 - 76

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(OFFICIAL REPORT) FIRST SESSION OF 1971-76 HOUSE OF ASSEMBLY

Friday, 5th April, 1974.

Pursuant to the adjournment, the House of Assembly met at 6.40 p.m. o'clock.

PRESENT

His Honour N. G. A. MAXWELL, LL.B., (Speaker); Hon. C. E. TALMA, C.B.E., (Deputy Prime Minister and Leader of the House); Hon. G. G. FERGUSON, (Minister of Home Affairs); Mr. R. St.C. WEEKES, J.P.; His Honour C. A. E. HOPPIN, (Deputy Speaker); Mr. L. S. CRAIG; Mr. J. B. SPRINGER; Mr. J. M. G. M. ADAMS, M.A., (Leader of the Opposition); Mr. E. D. MOTTLEY; Mr. C. L. BOLDEN, LL.B; Hon. F. G. SMITH, Q.C., B.A., (Minister of Communications and Works); Hon. P. G. MORGAN, C.B.E., (Minister of Tourism, Information and Public Relations); Mrs. G. L. EASTMOND; Mr. H. deB. FORDE, M.A., LL.B.; Dr. the Hon. R. B. CADDLE, (Minister of Health and Welfare); Hon. A. MORRISON, (Minister of Agriculture, Science and Technology); Hon. L. E. SANDIFORD, B.A., M.A. (Econ.), (Minister of Education, Youth Affairs, Community Development and Sport) and Mr. E. E. GREAVES, B.A., Ed.M.

Prayers were read.

ANNOUNCEMENTS BY MR. SPEAKER RE THE BROADCAST OF THE FINANCIAL STATEMENT AND BUDGETARY PROPOSALS FOR THE FISCAL YEAR 1974-75

Mr. SPEAKER:

I have two announcements to make. The first is in the form of a request from the Hon. Leader of the House asking permission for the Financial Statement and Budgetary Proposals by the Minister of Finance to be broadcast from this Chamber by the Caribbean Broadcasting Corporation and Barbados

Rediffusioh Service Limited by Television and Radio. In conjunction therewith, following custom, the Hon. Leader of the House has undertaken that the same amount of time utilised by the Minister of Finance in his presentation of the Financial Statement and Budgetary Proposals will be accorded to the Opposition for its Reply.

Is it the wish of hon. Members that the Caribbean Broadcasting Corporation and Barbados Rediffusion Service Limited be allowed to broadcast the Financial Statement and Budgetary Proposals and the Leader of the Opposition's Reply? There being no dissentient voices, permission is granted.

I would also like to make this statement in the form of an announcement:

Re the Dignity and Security of the Honourable House of Assembly

With the passage of time and the march of events, I think it is time to bring certain matters into sharper focus for the guidance of Honourable Members, firstly and secondly for others to observe as strictly in the spirit as in the letter.

After close observation of the proceedings and happenings in this Honourable chamber and its immediate precincts during the discussion of the Estimates, I am persuaded that it is vital to take the following steps to maintain the dignity and indeed the security of this chamber.

INTERRUPTIONS

1. S.O.33(6) — "A member whilst present in the House during a debate — must maintain silence except when called to speak by the Chair".

The purpose behind this rule is eminently sensible — it being to ensure that debate on public matters is conducted with the degree of seriousness, close scrutiny and above all, decorum which the public business merits.

Recently there have been far too many unnecessary asides from members on both sides of the House — all of whom know better. Some of these asides are trivial and frivolous — others have their legitimate place in the context of the political hustings which must take place in our Country periodically. Yet others embodying legitimate points of view, should be made when their author is on his feet and worst of all some of these asides are not infrequently interpreted, rightly or wrongly, as attacking the credit of the member then speaking. As such these asides are taken up and escalate as they have been doing into irrelevant verbal battles between the members concerned and in a few cases have done nothing if not to plunge the tone of the debate to an emotional and personal plane.

Honourable members may say that asides are not for the ears of the Chair. We insist ' that these audible asides constitute unwarranted interruptions of the proceedings of the Chamber and in the context of the above results recently experienced infringe the Standing Orders of this Assembly in the letter as much as in the spirit.

Future offenders of this rule will be visited with the Sanctions laid down in Standing Order 40.

The tone of Debate and the dignity of the House

Allied to the above, Honourable members are forcibly reminded of their duty to avoid tedious repetition and irrelevance in Debate. .

The presence of repetitive and irrelevant material does nothing to enhance the tone of debate generally. Nor do attacks on persons who are not in a position to defend themselves serve this stated end. Members standing in corridors and behind the Chair of the Presiding Officer all detract from the dignity of this chamber.

Select Committee Meetings

The work of many important Select Committees is being bogged down through members' irregular attendance at such meetings. Chief among the Committees to suffer is the Debates Committee and recently the Committee of Privileges. If Honourable members involved cannot attend meetings as and when summoned, then they should give way to others who will attend regularly to assist in dealing with important aspects of the people's business.

All members of Select Committees are enjoined to attend punctually and not wait to be summoned from their offices or to the place of business to form a quorum. This is trifling with the people's business.

Security of Chamber during Meetings

Persons other than MP's, their wives or husbands, Ministers, Parliamentary Secretaries, Members of the Other Place, Members of the Staff of Parliament, Diplomats, Permanent Secretaries, Heads of Departments and distinguished visitors to all of whom special passes will be issued — will not be allowed to use the main entrance of this Chamber while the House is sitting. A public entrance has been provided some three years ago at the Northern end of this Chamber and must be used for that purpose. Therefore, Journalists, Civil servants other than those above mentioned must use the public entrance to the gallery on entering and leaving the House. At no time will they be permitted to walk up and down corridors of the Chamber unless bidden to do so by an Honourable member or by an officer of the house.

On occasions that strangers are invited from the public gallery to the ante-room or members' lobby, they will not distract the attention of Honourable members in the Chamber by conversation, gestures or in any other manner. It is a contempt of the House for strangers to loiter in the corridors or to speak to Honourable members while walking through the corridors during sittings.

Dining-room facilities

It is well known rule that this facility provided is for honourable members, the staff of Parliament, the Police Officer, and announced guests of Honourable members.

Honourable members will be saved much embarrassment on their own account and that of their unwitting guests if they bring guests into the Dining room only with the prior permission of the

Presiding Officer.

While on this subject, I would like to take this opportunity to advert to the remark of one Honourable member in speaking on a supplementary Estimate for Parliament in the recent past. The allegation was made that some "stupid instructions" were given involving the time at which reporters should take their lunch. I am bound to state that no such instructions were given by me or any presiding officer. The incident was dealt with as it occurred and settled there and then in the interests of all concerned.

The rule that lunch and dinner especially lunch will be served to all Honourable members simultaneously will be observed. To depart from this would be to invite certain obvious unsavoury practices.

It would assist the standard of catering, however for very obvious reasons if the times for lunch and dinner were fixed and scrupulously observed. This I would venture to suggest should be observed whether Standing Orders are suspended or not.

Dress

A private member's resolution has been tabled calling for all party consensus on the question of dress for MP's and the staff of Parliament. Without prejudice to what such a Committee may or may not decide, I am happy to see the majority of Honourable members keeping within sensibly self-imposed limits viz — a business suit or a shirt-jac with long or short sleeves and trousers of the same material. Basing my pronouncements on this silently accepted practice of the majority, I would encourage all honourable members to follow this practice.

In future representatives of the Press must be similarly attired.

Admission will be refused to person seeking entrance to the Public gallery who are not properly dressed.

Let it never be said that the relaxation in the styles of dress is lending itself to a

concomitant abatement in the observation of and respect for the rules and procedures of this Ancient and Honourable Chamber. While I accept the view that there is a psychology of dress as well as a psychology of undress, I still maintain that the maturity of our institutions will be judged in the years to come by the maturity of men whose job it is to make such institutions work. This Honourable place is no exception. Hence I am of the view that of far greater significance than the dress we don in meeting here is the maturity of approach we bring to bear on all our deliberations. The former is a question of form, the latter is in fact the very core of the matter.

This is the burden of my remarks to you today.

Gentlemen - We will command the respect of our fellowmen not so much by dress or the colour of the number plates on our cars - important though these things may be — but by the maturity of our words and actions in and out of this Honourable Chamber. Cut out the interruptions and asides, be serious; take Select Committee meetings as part of your duties as an MP; respect, uphold, and assist in fortifying the

authority of the Chair at all times.

In this and other matters we the Presiding Officers earnestly seek your cooperation. 6.50 p.m.

DOCUMENTS LAID

Hon. C. E. TALMA:

Mr. Speaker, on behalf of the Hon. Prime Minister and Minister of Finance, I am commanded to lay the following —

(1) The Protocol amending the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Barbados, for the avoidance of Double Taxation and the prevention of Fiscal Evasion, with respect to Taxes of Income and Capital Gains.

(2) The Customs Duties (Precision Papers (Barbados) Limited) Order, 1974.

GOVERNMENT NOTICES

Hon. C. E. TALMA:

Mr. Speaker, on behalf of the Rt. Hon. Prime Minister and Minister of Finance, I beg to give notice of a Bill to amend the Land Tax Act, 1973.

BILLS READ A FIRST TIME

On the motion of Hon. C. E. TALMA, seconded by Hon. G. G. FERGUSON, a Bill to amend the Land Tax Act, 1973, was read a first time.

Rt. Hon. E. W. BARROW entered the Chamber and took his seat.

FINANCIAL STATEMENT AND BUDGETARY PROPOSALS FOR THE FISCAL YEAR

1974-75

Hon. C. E. TALMA:

Mr. Speaker, the first Order of the Day stands in the name of the Rt. Hon. Prime Minister and Minister of Finance to present the Financial Statement and Budgetary Proposals for the fiscal year 1974-75.

Mr. A. DaC. EDWARDS entered the Chamber and took his seat.

Mr. SPEAKER:

We have about four minutes to go before the delivery of the Financial Statement and Budgetary

Proposals.

**FINANCIAL STATEMENT AND BUDGETARY PROPOSALS MADE BY THE RT.
HONOURABLE ERROL W. BARROW, PRIME MINISTER AND MINISTER OF FINANCE
AND PLANNING
MR. SPEAKER,**

In accordance with the law and the Constitution of Barbados, both Houses of the Legislature have during the past two weeks approved the levels of expenditure — on both current and capital account — estimated to be required for the good management of the affairs of the country for the financial year upon which we have just embarked a short four days ago.

Somewhere it has been written that the year 1973 was the last year of the past. In a sense characterised as it was by a succession of inflationary spasms each one becoming more uncontrolled than the preceding, secondly by world wide shortages of food and essential commodities by unprecedented increases in fuel prices, the year could more properly be classified as marking the end of an era of rising expectations. Particularly for the non oil producing developing world. In this latter category our country and our people for some time yet must be content to be classified. 7.00 p.m.

Current Revenue and Expenditure 1973—74

The total revenue for 1973/74 was originally estimated at \$120.8 million. The revised estimates from Ministries and Departments based on collections to date indicated that actual revenue will be in the region of \$130.4 million. This would represent an increase of \$9, 6 million over the original estimates. Available data, therefore indicate that current revenue in 1973/74 will exceed current revenue for 1972/73 by some \$19, 7 million, which would represent an increase of about 18%.

The approved estimates of current expenditure for 1973/74 amounted to \$140.5 million, which together with supplementary provision of \$11.4 million make a total approved expenditure of \$151.9 million.

Actual expenditure to 31st January, 1974 was \$113, 9 million. It is estimated that expenditure amounting to \$24.7 million will be incurred during the period 1st February to 31st March, 1974. Thus total expenditure for the year under review is expected to be \$138.6 million. This would compare with actual expenditure of \$102.2 million in 1972/73, indicating that in the fiscal year 1973/74, current expenditure rose by \$36 million or about 35%. The anticipated deficit for 1973/74 is \$8.2 million, which is \$11.6 million less than was estimated.

Capital Expenditure 1973/74

The approved estimates of capital expenditure amounted to \$44.2 million. During the year, this sum was supplemented by \$2.8 million, making a total of \$47.0 million.

Actual expenditure to 31st January 1974 was \$25.2 m. and it is expected that during the period 1st February to 31st March, 1974 a further sum of \$5.6 million will be spent. This anticipated capital expenditure is therefore \$30.8-million and will be financed as follows —

Loans raised \$26.3 million

Short term borrowings 4.5

\$30.8

Public Debt

The Public Debt at 31st December, -1973 stood at \$107.8 million and will be reduced to \$102.0 million by the 31st March, 1974. This represents an increase of \$18.2 million [over the figure (\$83.2 million) at the corresponding period of the previous year.

At 131st March, 1973 the composition of the public debt was as follows —

Total External Internal

\$83.2 m. \$18.1 m. \$65.1 m.

During the course of the year additional loans were raised both externally and locally and old debt redeemed, so that the debt at 31st March, 1974 will be as follows -

Total External Internal

31.3.713 \$83.2m. \$18.1 m. \$65.1 m.

Loans raised 26.3+1.6 22.8 5.1

during year 109.5 40.9 70.2

Less Loans

redeemed 9.1 6.8 2.3

102.0 34.1 67.9

The cost of servicing the public debt in 1973/74 was \$11.2 million or approximately 9% of the current revenue.

ECONOMIC REPORT 1973

The Calendar year 1973 was one of generally satisfactory but mixed performance in economic activity. Compared with 1972, 1973 witnessed encouraging though modest recovery and growth. Domestic export performance improved by 30% (approximately \$20.0 million) over the 1972 level. Receipts from the sale abroad of sugar and by-products increased by 15%. Exports of shrimp contributed

\$1.4 million. Perhaps most encouraging of all, exports of manufactured goods increased by 43.6% to just over \$40.0 million.

Another indicator of growth was an estimated 14% increase in tourist expenditures, putting the 1973 earnings from this source at \$136.9 million. Finally, continued buoyancy in Government capital expenditures, estimated at over \$28.0 million for calendar year 1973, contributed in no small measure to a stable level of investment.

The above factors were the main contributors to an overall rate of growth in Gross Domestic Product (GDP) of 19.3% in current prices. When the estimated 1973 level of GDP of \$425.9 million is deflated by the average annual rate of price increase for 1973 of 16.9%, the rate of growth in economic output in real terms showed a 2.4% advance. If further allowance is made for population growth of 0.4%, 1973 remains a year of real growth and productivity increases.

But 1973 was also a year of problems, if not set-backs, on the international and economic front. External influences continued to threaten our efforts at economic advance. The rate of inflation, as measured by the Retail Price Index, accelerated over the already high levels of 1971 and 1972 and reached its highest December-to-December level ever of 26.0%. As to be expected, the period of most pronounced increase was the last quarter (October to December) of 1973. Increases in the retail price of Food and Beverages accounted for more than 50% of the recorded price increase. 7.10 p.m.

The balance of payments, too, came under increased pressure in spite of the encouraging export performance described above. Though increasing at a slightly slower rate than exports, imports grew by \$58.4 million to reach \$328.8 million. Export performance, however, ensured that the increase in the deficit in visible trade of \$39.9 was the lowest since 1963.

When the goods and services accounts are taken together and adjusted for balance of payments purposes, the deficit in visible and invisible trade is estimated at \$118.1 million. This deficit was reduced by net inflows in private and government transfer payments which yielded an estimated deficit on current account of \$106.7 million.

The overall deficit (current and capital account) in this balance of payments at year end was an estimated \$31.3 million. This deficit was financed in the main by commercial bank borrowing overseas.

Of course, an overall balance of payments deficit of the 1973 magnitude, however financed, places severe pressure on reserves. It will be a major goal of 1974 economic and budgetary policy to reduce the deficit in our external account in a way that would not aggravate existing inflationary trends.

International Monetary Scene

During the opening days of 1973 there was a high degree of currency instability in the international markets. The United States dollar was under severe attack to the extent that many foreign exchange markets closed for a short time in February and the United States Government authorities sought permission from Congress to effect a further devaluation of the dollar. In March European Central Banks closed their official foreign exchange markets as did the Bank of Japan for over two weeks and West Germany revalued the deutsche mark by 3%. In June the deutsche mark was revalued by a further

51/2% whilst the position of the United States continued to weaken.

At the end of 1973 seven developed countries namely: Austria, Canada, Italy, Japan, Switzerland, the United Kingdom and the United States of America no longer maintain rates for exchange transactions within announced margins. They have allowed their currencies to float. Other countries namely Belgium, Denmark, Germany, Luxemburg, Holland, Norway and Sweden maintain a common margin for exchange transactions between themselves.

Barbados and its partners in the Caribbean Community maintain stable rates for their currencies in terms of a single currency e.g. sterling whilst floating in respect of other currencies.

Central Bank

The Central Bank of Barbados was established in 1972 and on the 1st of January, 1973 I delegated to the Central Bank my functions as Exchange Control Authority which I had exercised under the Act of 1967.

On February 28, 1974 a significant amendment was made to the Exchange Control Act 1967. Section 41 (a) was amended to eliminate the distinction between "schedule territories" and the "rest of the world". This amendment was necessary and should have been made since June 1972 when the Government of the United Kingdom had unilaterally abolished the "Sterling Area". It was not, however, feasible for Barbados to introduce this amendment at an earlier date, because up to December 2, 1973 Barbados was sharing a common currency with the Associated States and Montserrat and unless the other East Caribbean Currency Authority territories were prepared to introduce a similar amendment to their legislation, funds could easily be moved out of Barbados through other East Caribbean Currency Authority territories. For this reason, on October 17, 1973, Government had the Rate of Interest Act 1970 proclaimed and the Minister of Finance and Planning issued an order under the Act increasing from 8% to 10% the maximum rate of interest which may be charged on loans in Barbados. This decision seems to have restricted to some extent the outflow of funds from Barbados in pursuit of higher rates of interest in other financial centres.

During the period of redemption of the East Caribbean currency, it was not feasible for the Government of Barbados to declare sterling a foreign currency, since such a move might have created a disincentive to exchange East Caribbean Currency Authority notes for Barbadian notes. The legal tender status for the East Caribbean dollar expired on February 28, 1974 and on the advice of the Central Bank, measures were taken on that date to extend exchange control regulations in Sterling.

I should like to take this opportunity to put this matter into its proper perspective. The extension of the provisions of the Exchange Control Act to cover transactions in sterling is in a sense a logical and natural extension of a system which has for a long time applied to transactions in other currencies (for example, the United States and Canadian currencies). This means that for the first time in Barbados the Exchange Control Authority will be in a position to monitor with a greater degree of certainty the monetary flows into and out of the Island. This is an essential condition of effective Central Bank operation in any country with an independent currency.

I should therefore like to ensure residents and non-residents alike that, as in the case of Exchange

regulations in the past, the new controls will be administered fairly, reasonably and responsibly, and not in a capricious or arbitrary fashion. Changes of this nature are designed to promote, not hinder, growth and expansion of the productive capacity of the economy. 7.20 p.m.

International Bank for Reconstruction and Development (World Bank)

During 1973 the Barbados Government made formal application for membership in the World Bank. All the various requirements of membership including the payment of subscription have now been met and Barbados is now a full member of this important international financial institution.

In response to the Barbados application, an operational mission from the Bank visited Barbados in October, 1973 and carried out as is usual with new members, a comprehensive review of the economy of the country which will form the basis for the development of a lending programme. During my visit to Washington in February of this year members of my delegation met with senior officials in the Bank to discuss the report and to exchange ideas in a preliminary way on the development of a lending programme for Barbados.

This Government has indicated its interest to the Bank in receiving assistance in the further development of the educational sector and in a variety of agricultural projects including the development of the sugar industry and various agro-industries. It is hoped that as a result of these initiatives Barbados will obtain World Bank assistance in the further expansion of secondary education and in the modernisation and rationalisation of export agriculture as well as the development of industries based on non-sugar agricultural production.

The report of the October Mission is expected to be completed shortly and discussions will immediately commence with the Bank for the identification and development of a pipeline of projects.

Inter—American Development Bank

During the current fiscal year discussions have proceeded with the Inter—American Development Bank with a view to concluding a number of important loan agreements. Almost two years ago this Bank made its first loan to Barbados in the amount of \$2 million BDS to the Barbados Development Bank for industrial and tourism development. The Bank has also agreed to lend the Barbados Government \$5.6 million BDS for the expansion of the Community College. The conditions precedent for disbursement have almost been completed and it is expected that early in this financial year construction of the first phase of the project will commence.

In addition, negotiations are almost completed with the Bank for financial assistance in constructing the permanent headquarters of the Samuel Jackman Prescod Polytechnic at Constitution Road, St. Michael, and a loan agreement for the provision of a revolving fund to assist students in obtaining loans for higher education in a number of priority areas is almost completed.

The largest single project presently under discussion with the Inter—American Development Bank is expected to come to fruition by the middle of this year. This is the expansion of the Deep Water Harbour which contemplates a total expenditure in the region of \$20—24 million. An operations mission from the Bank visited Barbados during March, 1974 and it is hoped to conclude the loan agreement by August

this year. It is anticipated that the major proportion of the total cost of the expansion of the Deep Water Harbour will be financed by the Bank.

Canadian International Development Agency

During the year under review, the Barbados Government concluded a major loan negotiation with C.I.D.A. and in December, 1973 signed a Governmental Agreement under which the Canadian Government has agreed to extend up to \$10 million (Can.) for the development of Seawell International Airport. This is the largest single loan negotiated by Government to date. The project is well advanced, and it is hoped that construction on the new terminal building will commence in early 1975.

In addition, the Canadian Government extended another loan of approximately \$0.5 million (Can.) to the Barbados Government for the further development of the dairy industry, a loan of \$1.6 million (Can.) for research in the manufacture of sugar, and negotiations will shortly be commenced for a new loan of approximately \$3 million (Can.) for the continuing development of the water resources of the Island.

Caribbean Development Bank

In the course of the fiscal year 1973—74 the Barbados Government received approval from the Board of Directors of the Caribbean Development Bank for two loans. The first, in the sum of \$2.2 million was for financing the purchase of low and lower middle income housing, and the second in the sum of \$900, 000 to finance small farm credit. The Barbados Government had previously received a loan of \$3.3 million from the Caribbean Development Bank for the construction of industrial estates and this loan will shortly be disbursed. In addition, as mentioned elsewhere in this address, the Government is negotiating further loans for the development of Spring Hall and for the improvement of marketing facilities in the Island, and is also contemplating an approach to the Bank for assistance in tourism development.

Barbados Development Bank

The Barbados Development Bank continues to promote the economic growth of the nation by providing assistance to developmental enterprises in the various sectors of the economy. During the period April — December, 1973 seven loans totalling \$176, 400 were made to enterprises in the tourist industry and six loans totalling \$192, 000 to enterprises in the industrial sector. In addition, in pursuance of Government's policy to assist the growth of small business enterprises, the Bank has since its inception in 1969 made 77 loans to small businessmen totalling \$293, 000.

It is the policy of the Barbados Government to promote the expansion of the resources available to the Barbados Development Bank as a key financial institution for stimulating growth in the country. To this end, Government has negotiated and is in the process of negotiating a number of global loans from international financial institutions to the Barbados Development Bank for re-lending to enterprises in the local economy. The Barbados Development Bank will be developed as the principal financial institution for re-lending loans of this nature to Barbadian enterprises. To this end a loan of \$1, 000, 000 (U.S.) has been negotiated with the Inter-American Development Bank for re-lending to industrial and tourism enterprises, and this loan is in process of disbursement.

Further, a loan of \$2.3 million (BDS) has been approved by the Caribbean Development Bank for re-lending by the Barbados Development Bank to the Barbados Mortgage Finance Company for the development of low and lower middle income housing in the Island. Also the Board of Directors of the Caribbean Development Bank at its last meeting approved a loan of \$900, 000 (BDS) to the Barbados Development Bank for financial assistance to small farmers. The aims and objectives of this loan are more fully outlined in a later section of my address.

Commercial Banks

At the 31st December, 1973 total deposits with commercial banks amounted to \$254.2 million and this reflected an increase of 4.4% over deposits at the end of December, 1972. Demand deposits at December, 1973 amounted to \$54.0 million thus reflecting a decrease of 4.7% over the December, 1972 figure. Time and savings deposits at December, 1973 amounted to \$99.7 million and \$100.4 million reflecting increases of 4.2% and 10.4% respectively. During the period January to December, 1973 demand deposits fluctuated between \$45.6 million and \$66.2 million reaching its lowest point in October, 1973. This fluctuation in demand deposits may be explained by existing inflationary pressures which led to a running down of cash balances by the Commercial Sector. Time deposits which were \$92.1 million in January 1973 dropped as low as \$91.2 million between February and June, 1973 but reached a peak of \$99.7 million in December, 1973. Savings on the other hand increased progressively from \$92.1 million in January, 1973 to \$100.8 million in July, 1973 but reflected a 2% fluctuation during the next five months period August to December, 1973.

By comparison with previous years, the growth of deposits may be considered slow during 1973. This slow rate of growth may be attributed to interest rate differentials and to a tendency by investors to export funds abroad in anticipation of the institution of general exchange controls by the Central Bank. Domestic interest rates were as low as 8% while interest rates on the sterling and Euro-dollar markets ranged from 9% to 15%. 7.30 p.m.

These attractive interest rates could well have led to an outward flow of investment capital. To counter this outflow, Government in October, 1973 raised the legal maximum rate to 10%.

Total loans and advances at the 31st December, 1973 amounted to \$263.2 million thus showing an increase of \$36.2 million or 16.3% over loans outstanding at the end of December, 1972. The most significant feature of developments in the banking system in 1973 was that this relatively high increase in domestic credit was accompanied by a substantial fall in deposit growth rates. With the banks unable to meet the continuing demand for loans from the growth of domestic deposits they responded by borrowing substantial amounts from abroad.

The sections which contributed the greatest impetus for credit expansion were —

Construction — \$9.4 million

Distribution — \$8 million

Tourism — \$6.3 million

Public Utilities - \$4.7 million

Fisheries — \$4.5 million

Current Revenue and Expenditure for 1974/75

The approved expenditure on current services for the financial year 1974—75 is estimated to be \$161.5 million. The revised estimated expenditure for the previous year is \$138.6 million. The Government is therefore being asked to provide \$23 million (or 16%) more than the amount which it is estimated will have been spent in the preceding year to meet the current costs of running the country. This inescapable increase is due to a number of factors most important of which are increased prices and increases in personal emoluments.

Current revenue is estimated at \$146.7 million. This represents an increase of \$16.3 million or 12% over the revised estimate for the previous year and is expected to come from the following sources:—

Customs and Excise \$61.3 million

Taxation 61.2

Other 24.2

\$146.7 million

With current expenditure estimated at \$161.5 million and revenue at \$146.7 million, the deficit on current account before any budgetary proposals is estimated to be \$14.8 million. This is \$5.0 million less than that estimated for the year 1973/74.

Capital Expenditure 1974/75

The capital expenditure for 1974/75 is estimated at \$46.6 million. This shows an increase of \$2.4 million over the estimated amount for the previous year. Approximately \$15.8 million will be spent on new projects; \$18.4 million on maintenance, replacements and extensions; \$9.1 million goes towards capital grants; \$0.8 million will be spent as advances to statutory organisations and \$2.5 million as contributions to international and local financial institutions.

The capital expenditure will be financed as follows: —

\$

CD. & W. Grants 200, 000

Canadian External Aids Assistance 2, 700, 000

International Financial Institutions 1, 263, 565

Regional Financial Institutions 2, 800, 000

Local Loans 3, 500, 000

10, 463, 565 Loans to be raised 36, 108, 536

\$46, 572, 101

With that background, Mr. Speaker, I propose to deal with a stratagem which I have worked out as carefully as human ingenuity can in the uncertainties of a situation of a rapidly changing economic disequilibrium.

It is clear that the major problem confronting us in 1974/75 is one of a significant deterioration of balance of payments brought about largely by a high propensity for consumption of imported consumer goods and more dramatically by fuel price increases working their way relentlessly through the economic system.

Our reserves of foreign currency are under attack and must be defended vigorously. At current prices we shall need an additional \$38 million in foreign currencies to pay for the fuel and petroleum price increases.

On central government account estimated current expenditure exceeds revenue by close to \$15 million and capital expenditure of some 46.6 million dollars is contemplated making a total of \$61.4 million to be found from one source or another if programmes are to be carried out and employment levels maintained.

It must be specially noted that current expenditures are estimated to increase by 16.5% and capital expenditures by 51.3%. Revenues are estimated to grow by 12.5% whilst the overall deficit is estimated to grow by 55.8% or 4 1/2 times the estimated growth in revenue. On external account, our imports for 1974 will be in the region of \$395.4 million and our exports \$131.4 million, leaving an estimated trade deficit of \$264 million. This deficit on visible trade is expected to be reduced by a net inflow of funds from services to yield a deficit in the current account of the balance of payments in 1974 of \$90.8 million. The estimated overall deficit on external account for the year is estimated at \$27.6 million.

7.40 p.m.

I have never subscribed to policies which advocate borrowing money to pay for current consumable expenses except for short term ways and means, advances pending receipt of taxes and other government revenues. On the other hand I have always strongly adhered to the principle that future generations of taxpayers should contribute to the costs of durable improvements to the community stock. In plainer words our deficit of \$15 million will have to be paid for this year whilst I propose to finance the capital works programmes largely by loans.

Strict exchange controls will have to be maintained along with import restriction in order to defend our reserves and to prevent any further deterioration in our balance of payments.

The fiscal policy which I intend to implement is not only devised to recover revenue but even more emphatically to discourage imports and to encourage exports. The taxation measures also have a third function and that is to stimulate local production particularly in the agricultural sector.

By the stimulation of local production we also hope to offset some of the unfavourable influences of imported inflation which has been a dependancy syndrome inherited from our colonial past.

Mr. Speaker, with our objectives clearly defined I now propose the following measures which in so far as they may be related to the raising of additional revenue will become effective immediately under the provisions of Provisional Collection of Taxes Act, 1967-35.

Existing water rates were fixed under regulations made in 1953. Costs of supplying water have risen by over 535% during the period 1953 — 1973 whereas the percentage increase between 1953 and 1963 was 122% only.

I intend a flat increase across the board. There will be a minimum \$6.00 quarterly rate for those who now pay \$1.25 and a maximum of \$100.00 per quarter for the more luxurious accommodations. There are seventeen thousand customers in the lower category and 110 only in the latter.

At the same time, meter rents for the 10, 000 who already have meters will be increased from \$2.40 per quarter to \$3.60 per quarter. I also propose that there should be two rates only for metered water, i.e. \$1.00 per thousand gallons for domestic services and \$1.25 per 1, 000 gallons for commercial and industrial locations. There will also be a minimum meter rental charge of \$25 per annum for the commercial and industrial premises.

I should like to make it clear that it is not intended to perpetuate the system where a householder can enjoy a metered and unmetered system on the same premises. Neither is it intended in future to remove meters after completion of house construction.

I do not consider it equitable or necessary to insist on meter supplies to dwellings standing on less than 2, 500 square feet of land at any time in the foreseeable future. This exemption will not of course apply to condominiums and apartments.

It is of interest to note that 42, 000 out of a total of 60, 000 buildings in this island are now supplied with government water. I expect that additional revenue of \$2, 000, 000 will be raised in this manner.

Hotel Tax

I have decided to revise the present method of taxing hotel operations in the country. After very careful study and evaluation of the results of the 4% tax on gross profits, I propose to substitute for this tax a 5% sales tax on the cost of hotel rooms, food and beverages. I have reached this decision for the following two main reasons —

(1) In order to establish a tax system which is more in conformity with systems in operation elsewhere and which will be easier for the potential investor to take into account in making economic forecasts.

(2) In order to increase the yield of taxation from this important sector of the economy by ensuring that all hotels will now fall within the ambit of the tax, and not only those which have been in operation for more than four years as is the case under present legislation. Based on 1973 figures for tourist arrivals, it is estimated that this measure will yield an additional \$2 million in revenue for this fiscal year.

Highway Revenue

At the end of December 1973 there were approximately 30, 000 motor vehicles using the roads in Barbados and approximately 20, 000 bicycles. I propose to increase the price of a bicycle licence from \$1.00 to \$2.00 with effect from June, 1974. I also propose to increase motor vehicle licence fees as follows —

Motor Cars Excluding Taxi Cabs

Weight Present Fee Proposed Fee

Under 18 Cwt. \$ 35.00 \$ 50.00

18-22 \$ 45.00 \$ 75.00

22 - 26 \$ 55.00 \$ 95.00

26-30 \$ 65.00 \$130.00

30 - 35 \$ 75.00 \$150.00

35-40 \$ 90.00 \$225.00

40 Cwt. & over \$100.00 \$250.00

I propose no increases in licence fees on Motor Cabs. I however propose to limit the licensing of motor cabs to replacement units only — i.e., I propose to freeze the number of taxi cabs at the number already in operation.

Vans, Buses, Lorries, Hearses. Tractors

No increases in licence fees are proposed in respect of this category of motor vehicle.

Motor Cycles

Present Fee Proposed Fee

Private without car \$15.00 \$30.00

Private with car \$20.00 \$40.00

Industrial without car \$30.00 \$45.00

Industrial with car \$40.00 \$50.00

Road Tax on Motor Spirits

Drivers and owners have readily supported inordinate increases in petroleum prices in favour of the rich oil countries and multi-national corporations. You are aware, Mr. Speaker, that the price of gasoline has been increased from 98 cents per gallon to \$1.46 per gallon in this country without the Government deriving any benefits but only a few categories of workers that I mentioned before.

With effect from tonight the retail price of gasoline should therefore be \$1.50 per gallon.

There will be no increase on kerosene or on diesel which is largely used in public transportation buses and fishing boats.

The amount of revenue expected from this source is \$0.6 million. Licences and Fees

The fees for motor drivers licences, visitors driving certificates and international drivers licences were fixed in 1967 at \$5.00. It is now proposed that these fees be increased to \$10.00. In addition, I propose to increase motor vehicle learner's permits from \$2 to \$4 and renewals from \$1 to \$2. In addition, I propose an increase in conductors licences which is valid for one year from \$5 to \$10. These increases on drivers and conductors licences are expected to raise an additional \$402, 000.00.

Firearm Licences

The existing fees for firearm licences is \$10.00. The fee to test, sell or repair and manufacture firearms is \$10. I propose that the licences for manufacturing firearms and for selling and repairing firearms should be more realistic and be increased to \$100.00 per annum and that there should be an increase in an owner's licence from \$10 to \$20. The estimated increase in revenues from this source is \$32, 000.00. 7.50 p.m.

INCREASES IN CONSUMPTION TAX

BTN NUMBER ITEMS PRESENT RATE PROPOSED RATE

24.02.2 Cigarettes 2c per five 5c per five

24.02.1 Cigars and cheroots \$2.00 per lb. \$4.00 per lb.

34.01 Toilet soap in cake or tablet form including shaving soap 10% of value No change

34.02 Surface - acting agents and washing preparations without soap (detergents) 5% of value 10% of value

33.06.1 Bay rum 10% of value 15% of value

33.06.9 Perfumed spirits (including Eau de Cologne, lavender water, Florida water, shaving lotion and limacol) 10% of value 15% of value

71.12 Jewellery of precious metals

71.15 or stones 20% of value 25% of value

71.16 Imitation jewellery 10% of value 15% of value 48.02 Hand-made writing paper 15% of value 20% of value

48.14 Envelopes, letter pads and similar stationery used in correspondence 15% of value 20% of value

48.13 Copying paper 15% of value 20% of value

48.15 Calculating machine paper, letter paper, foolscap and similar writing paper 15% of value 20% of value

92.12 Phonograph records 10% of value 15% of value

85.15.1 Television sets, radios and radio-gramophones 5% of value 10% of value

84.15 Refrigerators (domestic) 20% of value No change

84.15 Refrigerators (other than domestic type refrigerators) and refrigerating equipment 10% of value 15% of value

92.11 Phonographs, tape recorders and other sound recorders and players 5% of value 10% of value

84.40.1) Washing machines 5% of value 10% of value

84.19.1)

73.36) 74.17) 85.12) Stoves, cookers and furnaces 10% of value No change

84.17.1)

85.12) Water heaters 5% of value 15% of value

84.12 Air-conditioning equipment 5% of value 15% of value

85.04 Accumulators (storage batteries) 10% of value 15% of value

PROPOSED NEW CONSUMPTION TAXES

BTN NUMBER ITEMS PROPOSED RATE

87.09 Motor cycles, auto-cycles and cycles fitted with an auxiliary motor 10% of value

87.10 Cycles (including delivery bicycles) not motorized 10% of value

97.01 Wheeled toys designed to be ridden by children (e.g. toy bicycles, pedal motor cars); dolls' prams etc. 10% of value

97.04 Equipment for parlours, table and funfair games for adults or children (including billiard tables and pin tables and excluding table tennis requisites) 10% of value

97.05 Christmas tree decorations, and similar articles for Christmas festivities; carnival articles; entertainment articles (e.g. conjuring sticks and novelty jokes) 20% of value

90.07 Photographic cameras, photographic flashlights apparatus 10% of value

37.02 Film in rolls, sensitized, unexposed, perforated or not 10% of value

90.08 Cinematographic cameras, projectors, sound recorders and sound reproducers; any combination of these articles 10% of value

82.09.9 Knives and cutting blades (including pruning knives) for domestic use 10% of value

82.14 Spoons, forks etc. and similar kitchen or table-ware - cutlery 10% of value

82.13.9 Hair clippers, paper knives, manicure and chiropody sets (including nail files) 10% of value

39.07 Table and kitchen utensils (e.g. plates, spoons, table mats etc.) of artificial resins and plastic materials, cellulose esters and others, vulcanised fibre 10% of value

39.07 Sanitary and toilet articles (e.g. basins, soap-dishes etc.) of artificial resins and plastic materials cellulose esters and others, vulcanised fibre 10% of value

Tableware and other articles of a kind commonly used for domestic or toilet purposes

69.11 — of porcelain or china 10% of value

69.12 — of other kinds of pottery 10% of value

70.13 Glassware of a kind commonly used for table, kitchen, toilet or office purposes, for indoor decoration or for similar uses 10% of value

8.00 p.m.

PROPOSED NEW CONSUMPTION TAXES - Con'td

BTN NUMBER ITEMS PROPOSED RATE

Articles of a kind commonly used for domestic purposes, sanitary ware for indoor use, and parts of such articles and ware:-

74.18 Of copper . 10% of value

76.15 Of aluminium 10% of value

73.38 Of iron or steel 10% of value

44.24 Household utensils of wood 10% of value

44.27 Lamps and lighting fittings of wood; caskets, cigarette boxes, fruit bowls, ornaments and other fancy articles of wood; cutlery cases and similar cases of wood, articles of wood for personal use or adornment Statuettes and other ornaments 10% of value

69.13 — ceramics 15% of value

83.06 - of base metal 15% of value

70.19 Glass heads and ornaments, fancy or decorative glass small wares 15% of value

44.20 Wooden picture frames, photograph frames, mirror frames and the like 10% of value

83.12 Photograph, picture and similar frames of base metal; mirrors of base metal 10% of value

48.03 Greaseproof and glazed transparent paper in rolls, or sheets 10% of value

76.04 Aluminium foil

48.07 Fancy wrapping paper e.g. Christmas, birthday paper etc. (surface-decorated) in rolls or sheets 20% of value

48.05 Paper, creped, crinkled, embossed (excluding writing paper) 20% of value

06.04 Foliage, branches and other parts of trees, shrubs etc. and other plants, mosses etc. suitable for bouquets or ornamental purposes (excluding flowers under 06.03); including Christmas trees 20% of value

67.02 Artificial flowers, foliage or fruit

94.01 Chairs and other seats, whether or not convertible into beds (other than medical, dental, surgical and similar seats) 10% of value

58.01 Carpets, carpeting and rugs, knitted and/or of textile fabrics, and of wood or fine animal hair

85.02 Electro-mechanical domestic appliances with self-contained electric motor e.g. vacuum cleaners; food mixers, floor polishers 10% of value

84.25.1 Lawn mowers 10% of value

91.01 Pocket watches, wrist watches and other watches, including stop watches 10% of value

91.02 Clocks (excluding instrument panel clocks for vehicles, ships, planes etc.) 10% of value

PROPOSED NEW CONSUMPTION TAXES - Cone/'d

BTN NUMBER ITEMS PROPOSED RATE

98.10 Mechanical lighters and similar lighters including chemical and electrical lighters; including flints

and wicks 10% of value

98.11 Smoking pipes, cigar and cigarette holders 15% of value

42.02 Travel goods, handbags, wallets, purses, toilet cases and other similar containers of leather or composition leather, paper-bound, textile fabric, vulcanised fibre, artificial plastic sheeting 10% of value

65.03 Felt hats and other felt headgear 10% of value Hats and other headgear (excluding Panama hats) 10% of value

65.04 - plaited 10% of value

65.05 — knitted, crocheted, or pom lace, or other textile fabric (including hair nets) 10% of value

65.06 Other headgear, whether or not lined or trimmed (excluding Panama hats) 10% of value

33.06.9 Cosmetics and other products for the care of the skin (excluding baby-care products); manicure preparations 10% of value

18.00.1 Chocolate confectionery 10% of value

23.07.1 Food for pets 15% of value

93.02 Revolvers and pistols - firearms 10% of value

93.04 Other firearms, including very light pistols and revolvers firing only blanks, line-throwing guns and the like 10% of value

93.05 Other non-military arms, including air, spring and similar pistols, rifles and guns 10% of value

84.40.1 Domestic ironing machines, drying machines wringers and mangles 10% of value

Common External Tariff

In keeping with our obligations under the Common External Tariff of the Caribbean Common Market, I propose to introduce reductions in import duties from their present levels to the Common External levels as follows —

Tariff Heading Item Present Rates Proposed Rates

22.03 Beer 5.10/5.50 4.25/4.58

22.105.2 Spark wine 20.00/25.00 16.66/20.83

22.07 Other ferm. beverages 1.00/2.00 .83/1.66

22.09.1 Brandy 80 P. 50.00/52.00 41.66/43.33

22.09.2 Brandy (other) 59.00/61.00 49.16/50.83

22.09.3 Rum 80 P. 52, 00/59.00 43.33/49.16

22.09.4 Rum (other) 62.00/71.00 51.66/59.16

22.09.5 Whisky 80 P. 53.00/55.00 44.16/45.83

22.09.6 Whisky (other) 60.00/63.00 50.00/52.50

22.09.7 Gin 80 P 54.00/56.00 45.00/46.66

22.09.8 Gin (other) 62.00/65.00 51.66/55.83 22.09.0 Other spirits 62.00/65.00 51.66/55.83 27.10.4 Lub. oil .40/.50 .33/.41

In order to offset in some way the loss in revenue from the above adjustments, it is intended to make adjustments in the consumption tax on the alcoholic beverages listed below :-8.10 p.m.

Item Present Rates Proposed Rate

Bear and Stout 86c per gallon \$1.40 per gallon

Still Wines Sparkling Wines Vermouth \$2.00 per gallon \$5.00 per gallon

Gin \$7.50 per gallon \$10.00 per gallon

Vodka \$7.50 per gallon \$10.00 per gallon

It should be noted that the above increases in Consumption Tax on alcoholic beverages do not entirely compensate for the reduction in import duties on these items. There should therefore be a general reduction in retail prices arising from the combined effect of the downward adjustments in import duties on the one hand and the upward adjustment in consumption taxes on the other.

In addition, it is my intention to remove an anomaly in the tax on hard liquors arising from the adoption of the Common External Tariff and the production of what I might call certain hybrid liquors in the region. It is evident that sales of blended whisky and blended brandy produced within the area by the expedient of mixing or blending imported whisky and brandy with rum have increased both at the expense of whisky and brandy in their pure form, as well as I believe at the expense of rum in its pure form. As regionally produced products, these beverages attract no duties. At present they are also not subject to consumption tax. It is my intention therefore to levy consumption taxes on blended whisky and blended brandy at the levels of the import duties for whisky and brandy of \$45 and \$50 per gallon respectively:-

Item Proposed Consumption Tax

22.09.9 Blended Whisky \$45.00 per gallon

22.09.9 Blended Brandy \$50.00 per gallon

The total amount of additional revenue expected from these measures is \$11.0 million which will go a considerable way towards closing the gap between estimated revenue and estimated expenditure.

Sugar Levies

The present levy of \$13.20 on sales of sugar was introduced in 1948. Since that time, the negotiated price under Commonwealth arrangements received by our producers of sugar has increased by more than 200%. At the present time, non-CSA prices for sugar exceed CSA prices by 100% and 200%. In 1974 a considerable portion of our sugars are sold outside of CSA arrangements. I estimate that the average price that will be received by us for sugar in 1974 will exceed the current CSA price by 40%.

It has been the policy of this Government to utilise portions of the levies on sugars to finance expenditures on social programmes that will benefit the broad mass of the people. Housing is a notable example of this policy. In the light of the substantial increase in the price being received for sugar, I therefore propose to increase the levies on sugar from \$13.20 to \$40.00 per ton. As in the past, the revenues so derived will be used to finance Government's social programmes, particularly Housing.

The additional revenue estimated to be received from this proposal is \$2.7 million.

In addition to these fiscal measures I propose that restriction should be placed on a list of imports which may be added to or subtracted from from time to time. The objective as I mentioned earlier is the stimulation of local agricultural and industrial production.

There will be a total embargo on imports of the following items: —

Canned Sweet Potatoes

Poultry killed or dressed

Milk Evaporated, Condensed

Macaroni, Spaghetti

Biscuits — Unsweetened

Biscuits — Sweet

Margarine

Beer

Wooden Chairs

Metal Chairs

Upholstered Chairs

Other Chairs

Picture and Post Greeting Cards

Commonwealth Sugar Agreement

The following items will be subject to licencing and quantitative restrictions :-

Mutton and Lamb

Pork (Fresh and Frozen)

Poultry (Special Parts)

Apples

Grapes (Fresh)

Vegetables in airtight containers

Groundnuts (Peanuts)

Potatoes (not sweet)

Some measure of price control will have to be continued despite the strident and clamant appeal for their removal by narrow sectoral interests.

However it is the intention of this Government to encourage local enterprise to the greatest possible extent that is consistent with the interests of the majority of consumers - who incidentally are sometimes themselves producers.

Our strategy for maintenance and improvement of levels of economic activity have been fully outlined in the Development Plan laid in the House a few weeks ago.

Mr. Speaker, the public service of Barbados is the largest single labour force in the island.

Government spending is larger than any single concern or group of concerns in this country.

I have been for some time more than exasperated with the failure of Government departments to pay their bills promptly and on demand. Or at all.

I have received numerous complaints not only from commercial houses and Government suppliers but from Government departments over the failure of other Government departments to hand over sums due from one to the other. I have inherited a large degree of incompetence and indifference in the public sector and most of it is now through the inexcusable process of musical chairs performed by the colonial system emerging to the top when in any self respecting society they should have submerged a long time ago. To the bottom. Or right out.

The by-product of this indifference to the efficient running of the economy is that a few misinformed persons and some people of ill will spread rumours which are calculated to create a state of panic inside the community and outside as well.

I have accordingly from this week removed from the several Government departments the power to delay payments for a period of longer than three weeks.

I am further inviting the business community to report any Government officer who declines to answer within a reasonable time requests for payment or any other letter for that matter direct to the Services Commissions whose address is Flodden, Culloden Road, St. Michael.

Since no minister can do any more than to beseech a Government officer to do what he is paid to do your redress is to the authority which has the right to hire and impliedly the right to discipline and dismiss.

The Government does not intend to put any unbearable strains on this community. I should like to prefer one small bit of advice. As individuals we ought to make up our minds to assist in fighting inflation by personal budgeting.

The days of a free wheeling society are over not only in Barbados but all over the world. We can decide to spend no more on gasoline for example than we spent the first nine months of 1973. We could cut down on our intake of alcohol. We can economise in many ways which could do us good. We can decide right now to eat more local produce and less imported canned and packaged goods.

8.20 p.m.

In summary, Mr. Speaker, my budgetary proposals include measures designed to effect changes in the following areas:—

- (1) The Central Government Account;
- (2) The Balance of Payments;
- (3) The rate of inflation;
- (4) The level of economic activity Central Government Account

My proposals in this area are aimed primarily at closing the gap between current revenue and current expenditure for the present fiscal year amounting to \$15 million. In pursuance of this objective, I have introduced increases in the rates of consumption tax on a wide range of items many of which are now imported mainly from regional sources including local production. In this respect my proposals are designed in the main to protect Government revenues arising, from a deflection of trade and a change in the structure of supply of a wide range of items. In other cases, increases in consumption tax have been introduced on items that are considered luxury or non-essential. This category of item has been subjected to heavier increases in tax than the former categories. In addition, I have introduced increases in licences and fees affecting the ownership and operation of motor vehicles as well as the consumption of motor spirits.

Finally, under this heading, my proposals include a substantial increase in the levies on the sales of sugar to bring these in line with today's level of prices obtaining for this commodity.

Balance of Payments and Level of Economic Activity at

My proposals in this area are in the main complimentary. Total embargoes or partial restrictions have been introduced either to stimulate domestic production and therefore the level of output and incomes or to reduce the expenditure of scarce reserves or non-essential items. In respect, of course, the present proposals represent an intensification of an earlier policy on the one hand and can only be regarded as yet another phase in the implementation of this policy.

Inflation

My proposals for quantitative restrictions on a wide range of food items are designed to encourage a switch away from the consumption of rapidly rising prices for imported foodstuffs to consumption on locally produced items in the hope that the price level of local supplies will prove in the main more stable than price levels for imported good items.

I said Mr. Speaker early in my address today that somewhere it was written that 1973 was the last year of the past.

If the crisis through which we are passing serves to motivate the citizens of this country and to give them a truer sense of values.

Then I hope it will be written that 1974 was the first year of the future.

Hon. C. E. TALMA:

Mr. Speaker, in accordance with the arrangements which you have already pointed out, the Leader of the Opposition has intimated that he will be giving his Reply on Tuesday next at 7.00 p.m. The House will sit at 6.30 p.m., as you have pointed out, and the Leader of the Opposition will be granted similar facilities to the Prime Minister. The necessary arrangements have already been made.

The House was adjourned at the last Sitting until Tuesday, the 9th April, 1974, at 6.30 p.m. This is a Special Meeting, and I am merely repeating what Your Honour has said.

Mr. ADAMS:

Mr. Speaker, on the Order Paper for the 9th April, 1974, there is one item under Government Business. Perhaps the Leader of the House will be kind enough to say whether the Government wishes to proceed with the Second Reading of the Bill to amend the Land Development Duty Act, 1962, before my Reply, or if the Bill will be deferred until another date.

Hon. C. E. TALMA:

Mr. Speaker, the House will sit at 6.30 p.m., and we will deal with the item. It will be the only item under Government Business. At 6.55 p.m. we will allow the Leader of the Opposition to commence his Reply to the Budgetary Proposals.

END OF SPECIAL MEETING

The Special Meeting came to an end.

8.30 p.m.