
THE

House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1976 - 81

HOUSE OF ASSEMBLY

Tuesday, 11th April, 1978

Pursuant to the adjournment, the House of Assembly met at 12.15 p.m. o'clock

PRESENT

His Honour W. C. B. HINDS, J.P., (Speaker); Mr. R. St.C. WEEKES, J.P.; Hon. L. S. CRAIG, (Minister of Labour and Community Services); Rt. Hon. J. M. G. M. ADAMS, M.A., (Prime Minister and Minister of Finance and Planning); Hon. F. G. SMITH, Q.C., S.C., B.A., (Leader of the Opposition); Hon. H. deB. FORDE, S.C., M.A., LL.B., (Attorney General and Minister of External Affairs); Dr. R. B. CADDLE; Mr. D. A. C. SIMMONS, LL.M.; Hon. Miss B. A. MILLER, (Minister of Health and National Insurance); Hon. L. B. BRATHWAITE, (Minister of Communications and Works); Mr. J. G. ODLE, B.Sc., (Chairman of Committees); Hon. H. B. ST. JOHN, Q.C., LL.B., (Deputy Prime Minister, Minister of Caribbean Affairs, External Trade, Industry and Tourism and Leader of the House); Mr. V. L. JOHNSON, M.A.; Mr. B. M. TAITT, M.A.; Hon. L. R. TULL, M.A., (Minister of Education and Culture); Mr. DeL. O. BRADSHAW; Mr. L. L. SISNETT; and His Honour E. E. ALLEYNE, LL.M., (Deputy Speaker).

Prayers were read.

Mr. SANDIFORD entered the Chamber and took his seat.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, 7th March, 1978, are before you for confirmation.

Hon. H. B. ST. JOHN: Mr. Speaker, the Minutes have been circulated and subject to any observations by

any hon. member as to accuracy or otherwise, I beg to move that the Minutes be confirmed.

Hon. H. deB. FORDE: I beg to second that.

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

Mr. SPEAKER: Similarly hon. members have before them the Minutes of the Meeting of Tuesday, 14th March, 1978.

Hon. H. B. ST. JOHN: Mr. Speaker, these Minutes have been circulated and subject to any observations by any hon. member as to accuracy thereof, I beg to move that they be confirmed.

Hon. H. deB. FORDE: I beg to second that.

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

Mr. SPEAKER: I have to announce that I have received copies of the Accounts and Statement for the month of January, 1978, as prepared by the Accountant General.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, before we get so far in, some time ago I asked Your Honour's guidance on a problem which has occasioned some hon. members a good deal of concern. This is a situation where hon. members disregard the authority of the Chair in one way or another, refuse to withdraw, take their seats or whatever, walk out of the House and then return still, so to speak, in a state of contempt. I think Your Honour did promise a ruling about the matter and I wondered if Your Honour's consideration has been fully given to the matter yet or whether we will have to wait a little longer.

Mr. SPEAKER: The matter is still receiving the consideration of the Chair.

PAPERS LAID

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I am commanded to lay the Economic Report for 1977.

Unfortunately, Sir, the initially prepared copies have one or two small errors, some typographical of an unfortunate nature, and there are other copies which will not be available until later in the afternoon. I will say that on page 19 even of the corrected copy which I have, and when it comes in perhaps hon. members might care to take note of the page, at the bottom will be found a statement about the activities by the National Housing Corporation. It turns out that this statement is in error. It is a repetition of statements which were made in the Central Bank Report about the numbers of houses constructed and apparently it was not picked up by officials of the National Housing Corporation at the time. So in due course corrected figures will be given, but I cannot guarantee that every Economic Report that comes down will have the corrected figure in it.

We are hoping to paste over the figures in time. An investigation is being carried out at the National Housing Corporation as to who supplied the false information to the Central Bank, but it is the sort of thing that might occasion hon. members' attention during the debate you can expect for the next few days, and at an early stage I was hoping to save hon. members time by indicating the inaccuracy of the datum base to which they will no doubt be addressing their minds.

Hon. F. G. SMITH: I should like to know what the Prime Minister is saying. If the report in certain aspects is incorrect and if it is going to form part of the budgetary survey, I think he owes it to the House to have it corrected before it is laid in the House, and therefore, as I said, I do not know who supplied the figures. I also wonder who supplied the figures to the Commission, but that is another matter. I would like the Prime Minister to submit, if possible before he deals with his budgetary proposals corrected figures on the Economic Survey so that the Opposition will be in a position to deal meaningfully with our reply.

Rt. Hon. J. M. G. M. ADAMS: If it is not done today it will certainly be done tomorrow. I expect it will be done today; we are working on it now.

Hon. H. deB. FORDE: Mr. Speaker, I am commanded to lay "The Prisons (Amendment) Rules, 1978."

Hon. C. L. BOLDEN entered the Chamber and took his seat.

Hon. C. L. BOLDEN: Mr. Speaker, I am commanded to lay "The Report of the Public Utilities Board for the year 1976."

GOVERNMENT NOTICES

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I beg to give notice of a Bill to amend the Customs Act.

Hon. L. B. BRATHWAITE: Mr. Speaker, I beg to give notice of a Bill to amend the Prevention of Floods Act.

12.25 p.m.

PRIVATE MEMBERS' BUSINESS

Mr. SPEAKER: The Honourable Member for St. Michael South seeks to give notice of a motion that this Honourable House

- (1) express disagreement with a ruling of the Chairman of Committees,
- (2) call upon the Chairman of Committees to tender an apology for misapplying the rules of the House, and
- (3) take whatever steps may be necessary to correct the blatant error which occurred.

The subject of the Resolution is a debate in Committee of Supply on Tuesday, 17th January, 1978 on a Resolution for \$163,274 — Head 5 — Cabinet Office — Item 16 (New) — Expenses of Commissions, and the alleged closure of debate on that occasion.

This Resolution refers to a closure of debate. The record does not disclose that the closure was applied during the day's sitting.

Also the Resolution does not set out the ruling which it purports to challenge. The record does not disclose any ruling or request for a ruling on the subject matter of this Resolution.

Furthermore, the references to the Honourable Member for St. Thomas are otiose and unnecessary in a motion under Standing Order 39.

Consequently, the Resolution is out of order.

It is desirable that an Honourable Member who rises on a point of order should state his point in precise terms for the determination of the officer then presiding. A member should assist the Chair in making a ruling at the time when the point in issue is before the House or Committee. Similarly, if an Honourable Member speaks on a point of privilege, he must ensure strict observance of Standing Order No. 76.

NOTICES OF QUESTIONS

Mr. SPEAKER: The hon. member for St. Philip North, his question relative to cows and calves.

Mr. SIMMONS: Mr. Speaker, to ask of the Minister of Agriculture, Food and Consumer Affairs:

Will the Minister state:—

(1) How many calves and/or cows were imported into this Island under the Canadian Dairy Aid Scheme from its inception to the present date?

(2) Will the Minister state to whom these animals were consigned?

(3) Who handled the distribution of these animals?

(4) Was the distribution by means of cash sales or by credit or both?

(5) What was the selling price of the said animals? And how was this arrived at?

(6) Was each animal valued, price tag attached, and animal sold on this basis?

(7) How many animals were purchased outright?

(8) What was the total sum of money realized from sales as above?

(9) How many animals were sold on an instalment payment basis? What sum was realized from this source?

(10) Were any animals delivered, as being sold, without any cash being paid by the person receiving said animals?

(11) Was there a ticket system or Promissory Note method employed by any person to secure delivery of animals from any person responsible for distributing the animals?

(12) If the answer to No. 11 above is in the affirmative, how many animals were so delivered?

(13) How much money is now due and owing resulting from transactions as at Nos. 11 and 12 above?

(14) What are individual sums of money now due to the scheme by persons for animals received from the Scheme?

FIRST READINGS OF BILLS

On the motion of Rt. Hon. J. M. G. M. ADAMS, seconded by Hon. L. B. BRATHWAITE, the Bill to amend the Customs Act was read a first time.

On the motion of Hon. L. B. BRATHWAITE, seconded by Hon. C. L. BOLDEN, the Bill to amend the Prevention of Floods Act was read a first time.

STATEMENTS BY MINISTERS

Rt. Hon. J. M. G. M. ADAMS:

Members of the House will recall that on 3rd September, 1977 I made a statement to the effect that discussions had been taking place between representatives of the Government and representatives of the Bank of America for the transfer of the Bank's assets and business in Barbados to the Commercial Banking Division of the proposed Barbados National Bank. I indicated then that discussions had been proceeding on the basis of a willing vendor and a willing purchaser.

2. During the month of December, 1977, I invited the Governor of the Central Bank of Barbados to carry out a special inspection on the business of the Bank of America National Trust and Savings Association. The Governor of the Central Bank accordingly provided me early in 1978 with a confidential report on the inspection of the Bank.

3. The Government's Negotiating Team, which comprised the then Project Manager for Financial Institutions, Mr. Harcourt Lewis; the Finance Officer, Financial Institutions Project, Mr. Irving Collymore; the Solicitor General, Mr. Oliver Browne and the General Manager designate of the Barbados National Bank, Mr. Harold Russell and the Bank of America's representatives concluded that the Bank's Statement of Assets and Liabilities as at 6th December, 1977 or any later date used for the purpose of purchasing the business should be regarded as being of zero value. This arrangement was in keeping with certain observations made in the report of the Governor of the Central Bank.

4. The Negotiating Team then proceeded to carry out a detailed examination of the loans and advances' portfolio of the Bank as well as the build-up of losses, which the Bank of America agreed to provide funds to cover fully at the date of transfer of the business.

12.35 p.m.

It was further agreed with Bank of America that since certain assets were shown in the balance sheet at a book value lower than the market value, for the purpose of arriving at a purchasing price, such differential in value would be taken care of.

After several weeks of discussions the following price structure was agreed for the Bank's physical assets, relating to its business premises and a house occupied by its local manager:—

	BDS
1. Rental Differential	\$200,000
2. Value leasehold improvements	40,000
3. Vault and furniture, etc.	50,000
4. House	104,840
5. House furniture	<u>16,000</u>

The item "rent differential" relates to leasehold premises at "Trident House", Broad Street in Bridgetown at ground floor and first floor levels having floor areas of 4,940 square feet and 5,130 square feet respectively. The "leasehold improvements" refer to the Counters, Safes, Plant, Equipment and other Fixtures and Fittings at Broad Street, excluding the Vault and Furniture which were valued separately.

The valuation placed on the property at Erdiston Hill represents the excess of the assessed market value of the House over the writtendown value shown in the balance sheet. The valuation placed on the House furniture similarly represents the amount by which the estimated value exceeds the balance sheet value.

The total agreed value of the physical assets, over and above the balance sheet amounts, was \$410,840.00, but that sum was reduced by anticipated bad and doubtful debts of \$185,000 giving a price of \$225,840 (BDS) which is the sum finally agreed as payable to the Bank of America on takeover.

It was necessary for me to make a Banking Business Vesting Order under the Banking Act, Chapter 322, as amended by the Banking Amendment Act 1978. The order permits the transfer from Bank of America NT & SA to the Barbados National Bank of full responsibility for the business affairs of the bank on the date of transfer, and was made after I received the appropriate certificate from the Governor of the Central Bank of Barbados confirming that the Barbados National Bank would be able to discharge its obligations under the transfer. In addition, all deposits of the bank taken over on the transfer date are guaranteed under Section 6 of the Barbados National Bank Act 1978 (1978-10).

The local staff of Bank of America National Trust and Savings Association were offered and have accepted employment with the Barbados National Bank from 22nd March, 1978.

All accounts held by the Bank of America on the transfer date have been taken over by the Barbados

National Bank and are now being administered; with the exception of the Bank of America's participation in a consortium Euro-dollar Loan made in 1973 to the Government of Barbados.

Mr. Speaker, I would like to take this opportunity to make a statement concerning the Financial Statement and Budgetary Proposals for the year 1978. The Statement and Budgetary Proposals will be delivered in the House of Assembly tomorrow afternoon at 5.45 p.m. It is proposed to move an appropriate Resolution at that time upon which the foundations for a debate can take place and it is proposed by the Government that this debate take place over the two days provided for in the Standing Orders, commencing at 12 Noon on each day, Thursday, 13th April and Friday the 14th. At the end of the debate it is proposed that the Minister of Finance will make the final reply in terms of the Resolution. It is expected that the Opposition will wish to avail themselves of the opportunity of debate on the Budget, and accordingly arrangements have been made for the Opposition to be afforded broadcast time on television and sound radio at the same time as the time given the Minister of Finance for making his proposals. It is considered that there may be some advantage in broadcasting at the peak time of 5.45 p.m., and the proposed arrangements which have been set out in a letter by the Leader of the House to the Leader of the Opposition are designed so as to ensure that the Opposition will get the same favourable listening time for reply as the Government has for the presentation of the Budget. It is also proposed that the final reply and perhaps, subject to Your Honour's consent, some part of the final debate may also be broadcast on television and sound radio on the Friday, but of course it cannot be ensured that the precise time of 5.45 p.m. will be afforded to the Minister of Finance as he will obviously have to wait until the debate is concluded within the Standing Orders.

Hon. H. B. St. JOHN: Mr. Speaker, further to the statement made by the hon. Prime Minister, I must inform hon. members that in reply to the letter mentioned by the hon. Prime Minister I received a communication from the Leader of the Opposition today. He informed me that a letter was posted on Saturday, but we have not received it. The position is that in the communication the Leader of the Opposition has stated that the Opposition was prepared to reply to the Budget Speech immediately after the Prime Minister had finished his speech; but that if the Opposition is prevented from so doing, it will have to abide by the arrangements we have made. We had suggested to the Leader of the Opposition that the Opposition's reply to the Budget take place the following day and be

broadcast at exactly the same time period as the Budget Speech of the Minister of Finance. In the circumstances the arrangements which were suggested will have to prevail.

12.45 p.m.

Hon. F. G. SMITH: Mr. Speaker, I am wondering whether this is a ministerial statement. In that case I cannot reply to it; but if this is the Prime Minister attempting to inform the House or the Leader informing the House.....

Mr. SPEAKER: The Chair is willing to hear you.

Hon. F. G. SMITH: As I said, I wrote a letter to the Leader of the House, and I am sorry if he has not got the letter; but the Opposition, as I indicated in my letter realises that the Government controls the media, and the Opposition will have to abide by whatever decision the Government makes. Last year the charge against the Opposition was that we were unable to reply to a very long winded speech. We want it to be clearly understood that the moment the Minister of Finance takes his seat tomorrow evening the Opposition is prepared to reply even if it takes the people of this country until 4 o'clock in the morning. Last year our decision was out of consideration for listeners; but since we have been criticised for having consideration for them, then I say that the Opposition will reply if granted the time, which is not granted as we anticipated, and therefore the Government with its two-thirds majority will be able to do whatever it likes with the broadcast time, it is as simple as that. *(Pause)*. *(Asides)*.

Mr. SPEAKER: Let us have some order, please.

Mr. SANDIFORD: Mr. Speaker, if I may be allowed to make a brief observation on the matter before us.....

Mr. SPEAKER: Which matter are you referring to?

Mr. SANDIFORD: I am referring to the matter of the arrangements for the telecast of the Budgetary Proposals.

Mr. SPEAKER: Which I take is a proper arrangement for the Leader of the House and the Leader of the Opposition to make.

Mr. SANDIFORD: Does that mean that other members cannot make observations on that apart from those two members?

Mr. SPEAKER: They having spoken, the matter is closed. I wish to inform this Hon. House that I have

received a request only today for permission to broadcast live the proceedings of this Hon. House up to an hour of the debate just before the Prime Minister replies to the Leader of the Opposition. I take this to mean that permission is being sought to broadcast live on Friday specifically the entire debate at whatever time we begin until one hour before the Minister begins his reply. That is what it says here.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I have not seen the letter; but the Chief Information Officer did mention the matter to me. My understanding was that permission was going to be asked to bring the cameras in an hour before the reply was expected. I have not seen the letter, and I can only say what the Chief Information Officer said to me.

Mr. SPEAKER: This is what the letter states: "In addition, we are also seeking permission to broadcast live up to an hour of the debate in the Chamber just before the Prime Minister replies to the Opposition Leader." Any such request, I am submitting, would call for consideration of the entire House. It is not for me to grant. I can only grant what has been the custom in the past. Anyone seeking permission to do more than this, I would prefer to seek the permission of the Leader of the House or the permission of the whole House before attempting to give any further consideration to this matter.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, the Leader of the House is not now present. Can I suggest that he and the Leader of the Opposition could perhaps get together and see if some scheme could be worked out or if CBC's request should be refused? As I understand it, if it is only an hour they want to broadcast, only two people would be in it because you can speak for half an hour, and presumably two speeches would occupy the whole of the hour. The Leader of the House and the Leader of the Opposition may wish to get together and make some arrangements by which a speaker from each side, even a designated speaker from each side, could put the last of the case. I do believe that for technical reasons the T.V. cameras will have to be in the House for some time before the end of the debate. They do not have to be broadcast, but they will have to be here for that length of time.

Hon. F. G. SMITH: Mr. Speaker, I would like to make the position of the Opposition clear. The Hon. Prime Minister has just indicated that the arrangements made by them will stand. I am taking no further part in any arrangements for broadcasting. I think that the request to the House is couched in simple English and I would assume that since the new Government has been in power, their information officers can read and write and express themselves. It would have been said that we had some who could not because the Government would probably control them.

What we are discussing is a matter for the House to deal with. A letter has been read out by the Speaker. The Opposition has no quarrel with that request being granted.

Hon. H. B. St. JOHN: Mr. Speaker, I was not aware of the correspondence which emanated from CBC. As far as I am concerned, the arrangements traditionally have been that the reply of the spokesman for the Government and the spokesman for the Opposition should be broadcast. Until the usual consultation takes place, it cannot be done this year. I am not in favour of it.

Mr. TAITT: Mr. Speaker, as I recall from reading debates that went on in this House in the past I formed the impression that members who now occupy the benches opposite were all in favour of broadcasting the debates of this Chamber. It may very well be fortuitous that CBC in their infinite wisdom, or otherwise, has couched the letter in those terms; but this is a wonderful opportunity to let the people of Barbados see the House of Assembly in its pristine glory debating the budgetary proposals at least within this limited period of two days' debate. It would provide an excellent opportunity for us to see what broadcasting of debates is likely to be. The subject matter is of a nature which would excite the population to pay attention to the broadcasting. At the end of the debate the Government would be in an excellent position to determine if they wish to push political broadcasts from the House, unlike Daylight Saving Time where they did not have the opportunity of a prior example.

Hon. L. S. CRAIG: Mr. Speaker, I really am amazed to hear that side arguing and quarrelling about time on T.V. and radio. I happened to be on that side for ten years along with you, Mr. Speaker; and I remember the Minister of Information, Peter Morgan, making it clear, abundantly clear, that he was Minister of Information and if he felt like giving us time on T.V. he would give us. If he did not feel like giving us time, he would not give us. I made a request on the floor of the House asking for T.V. time at a time when the now Prime Minister was the Leader of the Opposition and was out of the island, and I was Acting Leader of the Opposition. He made it clear that we could not use T.V. I say now in no uncertain terms that the Prime Minister is a little too generous, and that is going to be his downfall one of these days. As far as I am concerned, they should not even go near to the T.V. station, far less to use it. It is as simple as that. There is this open Government and all of that — T.V., Gonsalves, Taitt, Smith and all of that. As far as I am concerned none of them could go on T.V. if I had control.

12.55 p.m.

You must be able to swallow the same bitter pill that we had to swallow on several occasions. This is how I like to fight because this is a battle; this is no love, get that abundantly clear. As far as I am concerned you could not see a picture on television or talk on the radio. That is how you all want treating. The Prime Minister is kind, decent, everything, and you have the worst things to say about him; that he is slimy and all sorts of things, and as far as I am concerned, you would not get a chance to go on television if I had any hand in their affairs. You have no shame. I had to swallow the pills and you should taste some of the bitter too. You cannot expect to get it bitter and get all sweet; get some gall in your stomachs too. You all want treating badly in this country and make you know your place. It is as simple as that in no uncertain terms.

Hon. H. B. St. JOHN: Mr. Speaker, it is ^{this} fairly obvious that there is a profound division of opinion on both sides on this matter, and it is precisely because of this anticipated division of opinion that I stated the point of view that until mutually acceptable arrangements can be made as to the period of time for which the budget debate will be broadcast, we should stick to the agreed consensus, namely, that the leading spokesman for this side and for the other side on the reply would be broadcast on this occasion. I have absolutely no objection to the principle of total broadcast of debates, but obviously this is a matter for the whole of the House, and until the various conflicting opinions can be reconciled, it is impossible in the present circumstances to change it.

Mr. GREAVES: Mr. Speaker, just a short contribution to this matter. It would seem that there is some confusion in the minds of the Government as to the request which has been made by the writer of the letter seeking permission to broadcast the debates here, and it is fairly obvious that the interpretation which you gave to the letter cannot really be conquered, and I am wondering if we are not at the stage now where the letter should be withdrawn and another request made. Certainly as has been pointed out, the Opposition is quite prepared in spite of the signs of attempts which are being made, if you would permit it which I know you would not, to muzzle the Opposition.

Hon. H. B. St. JOHN: Mr. Speaker, I will not allow that statement to go unchallenged. That is a very despicable suggestion to suggest that we are trying to muzzle.....

Mr. SPEAKER: The hon. member for St. Lucy must realize that if the Opposition is to be muzzled in this Honourable House it would have to be with the permission of the Chair.

Mr. GREAVES: Exactly, Mr. Speaker, and you will recall I said I am sure you would not permit that.

Hon. H. B. St. JOHN: I just want it for the record that that is a despicable statement and a despicable suggestion to suggest that because a letter comes in here in which a request is made to broadcast only a particular part of the debate that we on this side are attempting to muzzle the Opposition. We on this side stated it is impossible in the context of the division of opinion on both sides of this House as to broadcasting of this particular debate for a decision to be made on this occasion, and we say we maintain the traditional consensus and for anybody to get up in here and suggest that we want to muzzle the Opposition, I want to say that we would like to give the hon. member in particular an opportunity to speak in public in the manner and fashion in which he is accustomed, because every time he makes a statement we know we can contradict it and prove it is not a true statement. This is the reputation he has got.

Dr. CADDLE: Mr. Speaker, I did not intend to get into this matter, but I am surprised that the Leader of the House is taking this fire rage further than is necessary. I only have to remind him of the remarks made by the hon. member for St. James, and I have every reason to believe that the hon. member for St. Lucy was basing his reply on the remarks made by the hon. member for St. James. We are not disagreeing with the contention of the Hon. Leader of the House that due to the difference of opinion with both sides that this is not the appropriate time to talk about broadcasting the debates of the House, and I would prefer to see the Hon. Leader of the House dissociating himself from the remarks of the hon. member for St. James rather than getting up and trying to refer to the hon. member for St. Lucy in the way he has referred to him. We are certainly not happy with the remarks of the hon. member for St. James, because it would leave us with no other alternative but to deduce, as he said, that he would like to see us in a position where we would not have any use at any time of the television or radio of this country. (ASIDES) Actually we are not debating your feelings; we are just re-emphasising the fact that that is what you have made quite clear, and I would believe that the Leader of the House should address himself to those remarks and make it quite clear whether or not he agrees with the remarks expressed by the hon. member for St. James.

Hon. L. S. CRAIG: Sir, I do not mind if the Leader of the House gets up and disagrees with the remarks I made.

Mr. SPEAKER: On what is the hon. member for St. James now speaking? You have already spoken.

Hon. L. S. CRAIG: On a point of explanation.

Mr. SPEAKER: You have already spoken of ten years of suffering.

Hon. L. S. CRAIG: Thank you very much, Mr. Speaker.

Hon. H. deB. FORDE: Mr. Speaker, if I may speak on this motion, I think what is suggested is that the House should rapidly address itself to the question of debates in this House. Now I was on the Opposition for five years and I remember rising on a point of privilege and contending, and I think you will recall this, to the then Speaker Maxwell that it was an abuse of my privilege to permit the then Minister of Finance, the hon. member for St. John, to have the right twice to access of the public phones in this House, and then a member of the Opposition to have the right once, whereas other hon. members did not have that right. He gave a ruling then with which you have now abided which is that until the House as a whole changes what has become a convention that it was not within his power to do otherwise.

I want to recall these events because I recall three significant things about my intervention at that time. A statement from the then hon. member for St. Michael West, Mr. Frank Walcott, was couched in similar terms to the terms of the hon. member for St. James, and at that time I heard no dissociation of the then Government including my friend the hon. member for St. Michael North Central from the statements expressed by Mr. Frank Walcott. I take it Mr. Walcott was expressing the views either of himself or of his Government, but apparently no hon. member then including the then Prime Minister saw fit to dissociate himself from those remarks.

The other significant point I would like to recall is that I think every member on the side of the Government thought my suggestion was off the point and completely unfounded; and the third point which I recall was the statement made by the hon. member for St. James about the attitude taken by the Minister in charge of Information, Mr. Peter Morgan, who contended very strongly that he was in charge of the air waves of the country and of information and we would only get on television and have the right to speak if he say so.

Now I believe the country has come a long way from those days and could go probably a long way further, but using the air waves calls for a sense of responsibility as well, and I believe that the House must address itself to this in rather serious tones where it can look at the financial cost, the reputation of other persons whose names may come into debates in this

House and their rights to proceed as against members of the House, and what sort of privileges we are going to give to members of the House if we are not going to put certain safeguards in our own rules.
1.05 p.m.

I believe as well that protection must be given to the media which are facilitating the proceedings of this House. These are matters to which the House should address itself. Indeed I am surprised that after the several years in which we have had the broadcasting media, the former Government which is now so bothered about the freedom of speech and their right to make a statement never addressed themselves at any stage to giving certain freedoms of expression, giving meaning to the Constitution of this country and would wish that it should all be done by us in the process of less than 16 months. It is rather strange now when the boot is on the other foot that people begin to see that there is a wider interest than the narrow partisan interest, and certainly if there is one thing that the debate shows it is that there is the necessity for us seriously to address ourselves to this problem, and I would hope that at the appropriate time either from the side of the Government or from the side of the Opposition that some appropriate Resolution be brought so that it can be considered by the Standing Orders Committee and perhaps the Committee of Privileges as well, and proposals put before this House.

I understand, Mr. Speaker, that CBC itself will be in a position next year, having two channels, to take into account the full debates of this House, and maybe it is an appropriate time that we should give some consideration to these matters but I would not like it to be thought that the Opposition has such clean hands and are so progressive or concerned about freedom of expression that during the long 15 years they had they paid no attention at all to giving meaning to their now expressed sentiments.

Hon. H. B. St. JOHN: Mr. Speaker, the basic position is, as I made it clear, that as far as I know there is a strong current of view on both sides of the House that arrangements should be made for certain debates to the broadcast *in toto*. There is a strong current, a majority view, but one cannot make those arrangements except after the usual consultative procedures and the ground rules are laid down. I said so from the beginning and I do not know what the hon. member for St. Michael South West is worried about, he is perhaps worrying about the members on his side dissociating themselves from him. I do not have to dissociate myself from anybody, my position is very clear, I have made it abundantly clear that I am personally in favour of broadcasting certain debates, but that it is a matter that concerns the House as a whole and until a consensus is reached that the existing consensus

with respect to the budget debate should continue, that is the position.

Mr. SPEAKER: Well, I am sure hon. members are satisfied that what we have been having before we shall have that now and no more at this moment.

GOVERNMENT BUSINESS

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that Government Business be now taken and Order No. 1 be the instant Order of the Day.

Mr. SPEAKER: Government Business is the Instant Order of the Day.

FIRE SERVICE (AMENDMENT) ACT, 1978

Hon. H. deB. FORDE: Mr. Speaker, this is a very simple Bill. Its purpose is to amend the Fire Service Act to make it possible for women to be recruited within the Fire Service and also to make it possible for the Fire Service to be able to recruit persons of 18 years and upwards. As the Act at present stands it is only possible to recruit persons from the age of 21 years.

May I say, Sir, that this bit of legislation is in keeping with the Government's Manifesto and the policy outlined in the Manifesto with regard to women's rights and in particular with regard to discrimination against women in employment. In the Manifesto the Government undertook to compel all Government departments and to call upon quasi-Departments or Corporations to introduce in their practice a no-discrimination-on-grounds-of-sex clause. In pursuance of this policy my Ministry has been pursuing the idea of recruiting women into the Fire Service. We have had some applications already and steps are being taken to effect certain physical changes at the various fire stations so that there will be adequate arrangements for women to be fully integrated in the process.

Mr. Speaker, in addition we have considered whether women should be made available in the Service for all the duties normally undertaken by men, and there are precedents which we have researched and it seems possible to do this subject of course to our continual monitoring of the initial stages of the experiment, and I hope all the full exercises to ensure that any ill effects which may occur in any way will not be harmful to the physical welfare of the women involved.

Within the Caribbean there is only one country which has so far recruited women within the Fire Service, and that country is Guyana. They have recruited I think approximately about eight women and they do most of the duties but not all the duties reserved for

firemen; indeed I think that they do not actually do any fire fighting. Within the United Kingdom I think women have been exposed to the full duties of firemen and they have monitored very carefully the sort of effect that this has had on the health and welfare of women.

I believe that it is a necessary and progressive step, I believe that all occupations in this country should be unrestrictive and that both sexes should have an undoubted right to follow the occupation or the profession which they want, Sir, and wherever the legislation appears to be in any way discriminatory, even ahead of receiving the report of the Commission on the Status of Women, it is the intention of the Government to remove this part of discriminatory legislation, and not merely the legislation, but to ensure that the practices match our words.

With those few remarks, I would like to move that this Bill be read a second time. I will only add that in relation to the age of recruitment it seems to me that it is no longer any point in keeping the age of 21 for recruitment when people become men and women, adults at the age of 18, and I have therefore taken the opportunity to give an increasing opportunity for younger people to come within the Fire Service, and I would hope that people between the ages of 18 and 21 will now feel free to apply to the Fire Service. There are a few vacancies and I would hope that after the review of the Fire Service especially within the next few months, perhaps next year I could make some further changes and perhaps get permission to employ a few more people within the Service.

I move that this Bill be read a second time.

Hon. L. R. TULL: I beg to second that.

Hon. F. G. SMITH: Mr. Speaker, the Opposition certainly could not oppose this, because the age of majority by law is now 18, and I think the only meaningful part of the speech made by the Hon. Attorney General is the last sentence, that he hopes that next year he will be able to create more employment, because the fact that they are bringing women into the Fire Service itself is no great achievement if it is going to maintain the same amount of Fire Officers or fire personnel.

1.15 p.m.

Of course he would know that even in countries where they do have women in the Fire Service there are certain dangerous occupations and circumstances in which women could not be asked to take the part which a man would take. Of course, even though we go in for the right of amalgamation and non discrimination of employment of women in this service, I think it will

be some time before we can call on the women members of the Force to carry out the total functions in the case of a very serious fire. I read where his championship of women has suddenly become legendary. I do not know where the newspaper found his championship of women legendary, but then they said that Sir Grantley Adams was a legend in his life time, so I suppose from that point of view the Attorney General is a legend as far as women's rights are concerned.

All this aside, the Opposition supports this measure, one of reducing the age to 18 and the second for involving women in all aspects of the Fire Service. If I remember clearly, it was under the Democratic Labour Party that equality in salaries for women teachers and in the Service generally was introduced, so that if championing a piece of legislation makes you a legendary champion, then the Democratic Labour Party in its own time could be considered a legend when it introduced equal pay for women and a million and one other benefits for the female section of our population. This piece of legislation is just an extension of the programme and progress of this modern age. And while on this point I would like to see introduced legislation to make women pay cost, in divorce cases, and alimony too. So let us hurry up and get this equality extended so that the female section of the population can play their full financial and other roles.

Mr. SPEAKER: I think the hon. Leader of the Opposition is dealing not with the Fire Service but with fire down below.

Hon. F. G. SMITH: Very well, Mr. Speaker, as I said we support this legislation wholeheartedly.

Mr. SIMMONS: Mr. Speaker, there can be no quarrel with the principle of this Bill. Indeed, the Prison Service has female workers as well as the Police Service. But I want to draw to the Hon. Minister's attention, I hope he saw in yesterday's edition of the Advocate News where a group of public spirited persons from St. Philip North have set up their own fire fighting equipment with their own finances. This re-inforces the plea I have been making for the past two years for some action to be taken to provide fire service equipment in my constituency, and I hope that the Ministry, now that the people themselves have given the lead, will assist them in any way possible before a fire station is properly established in St. Philip.

Hon. H. deB. FORDE: I would like to assure the hon. member for St. Philip North that I appreciate and the Government appreciates the voluntary efforts being made by people to assist in providing fire protection, and in this regard it is not only the efforts of the hon. member's constituency but also the Anglican Young

People's Association who have shown tremendous interest in keeping down cane fires during the present cane cutting period. Likewise various youth groups have been helping in this exercise as well as the Rotary Club and other organizations.

Mr. Speaker, you may be interested to know that the incidence of cane fires has now shifted from occurring during the night to the day, and we are currently analysing the causes for this and hope next year to institute a varied programme. It seems to me that the causes may have something to do with the basis on which the differential in wages for burnt and green cane is calculated, and I would hope on the basis of our analysis of the information received from the Workers' Union and the Sugar Producers' negotiations that in their negotiations there should be some substantial distinction for the cutting of green cane as opposed to burnt cane. We cannot continue to bury our heads in the sand of sentiment. We have been taking certain steps during the night and we have also speeded up our patrol by Island Constables and others during the day but we still have the problem of fire occurring. I have made pleas and will not continue to make pleas *ad nauseam*. I have spoken in a way that even the simplest child can understand that the burning of cane is destroying our own economic interests. If in spite of this people are not prepared to listen, if in spite of the sacrifices those of us in public life make they want a different role, it is up to them. I have made my statements and I have tried to change the law. We have set up Committees in the Ministry and in the Ministries of Education and Agriculture. We have introduced the matter to the School with lectures on fire prevention. We have had the Minister of Community Services address the youth groups. All this has happened and yet the fires still continue. You can do nothing for a country when you have tried your best and it does not accept that best. Sometimes people do not know what is in their own interest. But I would like to see us attack some of the other causes.

In relation to St. Philip North we have included the establishment of a Fire Station in a five year programme. It cannot be done this year but we will give some priority to the need of the fires in St. Philip as soon as the economic constraints are off the Government.

So far as the comment of the Hon. Leader of the Opposition is concerned, I am often baffled by him. He uses every opportunity as a political occasion to make some petty personal reference.
1.25 p.m.

All that I am doing is doing my job for as long as I can do it, and for as long as I am allowed to do it. I do not want anybody to acknowledge me as a legend or

to give me any praise for anything. I take the example of the woman who adopted me and who made a sacrifice and got no praise for it. She did not mind. She got pleasure from serving. So the hon. member's comment about a legend is misplaced. If a newspaper wants to make a judgment about something that I did, it is open to the newspaper to make that judgment. I am not really interested in blowing my own trumpet while I am alive for fear that no one will blow it for me after I am dead.

I beg to move that the Bill be read a second time.

Hon. L. B. BRATHWAITE: I beg to second that.

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

Hon. H. deB. FORDE: Mr. Speaker, I beg to move that you do now leave the Chair and the House go into Committee on the Bill.

Hon. L. B. BRATHWAITE: I beg to second that.

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

Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clause 1 was called and agreed to.

Clause 2 was called.

Mr. TAITT: Mr. Chairman, just one small point. When the hon. Attorney General made his winding up speech on the second reading he indicated that they had talked to all kinds of people, to people in all walks of life. There was the implied suggestion — logically it would seem to me that what was being suggested here by this concept of the differential between wages for cutting green canes and burnt canes is that the workers are the ones who are burning the canes. He himself has admitted that they cannot find out who is burning the canes, and yet the suggestion is constantly made that it is the workers. I feel that perhaps they are not talking to the right people. Last year they said by implication that it was the Dems.

Hon. H. deB. FORDE: Mr. Chairman I can deal with those implications; but how does a general principle arise out of this clause? The hon. member cannot on Clause 2 make a second reading speech. If he wants to go on a platform later I will deal with that; but on a general second reading statement he has lost his opportunity.

Mr. CHAIRMAN: What the hon. Attorney General means is that he has lost his opportunity to make that speech; and with that I agree.

Mr. TAITT: Mr. Chairman, it would have disappointed me if you had not agreed with the hon. Attorney General.

Hon. H. B. St. JOHN: Mr. Chairman, on a point of order. The hon. member cannot say that he would be disappointed...

Mr. TAITT: I cannot say that I would be disappointed?

Mr. CHAIRMAN: The hon. member will take his seat. There must be no shouting occasion here. I will draw the attention of the House to the hon. member's behaviour.

Hon. H. B. St. JOHN: Mr. Chairman, on a point of order. If you make a ruling and the hon. member gets up and says that he would be disappointed if you did not agree with the Other Side it is an insinuation or suggestion that your ruling was biased. I call upon you to ask him to withdraw it.

Hon. F. G. SMITH: Mr. Chairman, on a point of order. If the hon. Attorney General raised a point under the Standing Orders with which you agreed, and it is right, is not the hon. member entitled to the other inference that he would be surprised if you had ruled differently because the hon. Attorney General was right? Why must it be interpreted to mean that he would be disappointed if you had ruled differently from a proper submission by the Attorney General? A submission which, according to the Rules we all agreed with. Why must you use an interpretation against a member which is adverse, but cannot use an interpretation where he is telling you, Mr. Chairman, that he would be surprised if you did rule differently because you would be wrong?

Mr. CHAIRMAN: I rule that the hon. member for St. Michael South West must withdraw the remarks.

Mr. TAITT: I withdraw them. I am saying that I withdraw them because I am forced to do it.

Mr. CHAIRMAN: That is not accepted. The hon. member must withdraw.

Mr. TAITT: I withdraw.

Mr. CHAIRMAN: Carry on and address your remarks to the clause under discussion, Clause 2.

Mr. TAITT: I do not wish to speak anymore.

Mr. CHAIRMAN: Then please take your seat.

Mr. GREAVES: Mr. Chairman, Clause 2 has to do with certain sections of the original Act so as to make it possible for more people, particularly female members of the population, to become members of the Barbados Fire Service. Now, in this particular regard, I do not think that anyone would quarrel with the attempts that are being made by the hon. Attorney General to increase the members of the Fire Service; but an increase in the Fire Service does not necessarily mean that you will be able to control the spate of fires that now seem to engulf Barbados. In his introductory remarks the Attorney General made reference to a number of factors as to what could be the possible reason for these fires. I am...

Hon. H. deB. FORDE: Again the hon. member is moving away from the clause under discussion.

Mr. CHAIRMAN: Will the hon. member please stick to the clause?

Mr. GREAVES: Yes. When we talk about muzzling you will understand what we are talking about. The Attorney General made reference to the reason why he considers this kind of amendment necessary; and I am saying that a mere increase in the Fire Service or making provision for women to join the Fire Service will not of necessity mean...

Mr. CHAIRMAN: I am asking the hon. member for St. Lucy to deal with the clause.

Mr. GREAVES took his seat.

Mr. CHAIRMAN: Does any other hon. member wish to make a contribution on this clause?

The question that Clause 2 stand part was put and resolved in the affirmative without division.

On separate motions of Hon. H. deB. FORDE seconded by Hon. L. S. CRAIG, Clauses 3 and 4 were agreed to.

1.35 p.m.

Clauses 5 and 6 were called and passed.

On motion of Hon. H. deB. FORDE seconded by the Hon. C. L. BOLDEN, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. H. deB. FORDE seconded by the Hon. C. L. BOLDEN, the Bill was read a third time and passed.

THE POST OFFICE (AMENDMENT)

ACT, 1978

Mr. SPEAKER: Order No. 2 stands in the name of the Hon. Minister of Communications and Works, to

move the second reading of a Bill to amend the Post Office Act, Cap. 27.

Hon. L. B. BRATHWAITE: Mr. Speaker, this is just a simple matter and it is only a question of terminology, to replace in the Act the word "poundage" by the word "fees". They are actually the same in essence, but my advisers think that the use of the word "fees" is more appropriate than the word "poundage". I do not think it necessary to go into any details on this because there are no details.

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

Hon. H. deB. FORDE: I beg to second that.

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

On motion of Hon. L. B. BRATHWAITE seconded by Hon. H. deB. FORDE, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clauses 1 and 2 were called and passed.

On motion of Hon. L. B. BRATHWAITE seconded by Hon. H. deB. FORDE, Mr. CHAIRMAN reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. L. B. BRATHWAITE seconded by Hon. C. L. BOLDEN, the Bill was read a third time and passed.

THE NATIONAL ASSISTANCE (AMENDMENT) ACT, 1978

Mr. SPEAKER: Order No. 3 stands in the name of the Hon. Minister of Labour and Community Development, to move the second reading of a Bill to amend the National Assistance Act, 1948.

Hon. L. S. CRAIG: Mr. Speaker, the amendment to this Act arises out of what one would consider a little hardship with the old age pensioners in the light that after the chequing system came into being for the receipt of old age pensions, some of them would find themselves in an awkward position where they could not find their cheques; they either misplaced them or some of them would get lost, and they had to apply to the Chief Welfare Officer and they would have to pay a fee of \$10 in stamp duty for the purpose of getting another cheque. The amendment therefore is to relieve them of this, thereby placing power in the hands of the Chief Welfare Officer that after a given time and he is satisfied that the pensioner cannot find the cheque

to pay the pensioner. It is a simple amendment to the Act and rather than the old age pensioner who is now getting \$16 a week having to pay \$10 out of that, we are relieving him of having to look for that money.

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

Hon. H. deB. FORDE: I beg to second that.

Mr. WEEKES: Mr. Speaker, I am very happy to know that the Minister has brought in this amendment. In dealing with the payment by cheque, I am not blowing my own trumpet, but I am the person, if the Minister will do some research in his files, who really caused these old age pensioners to be paid by cheque. 1.45 p.m.

What I am worried about, Sir, is that the Ministry has only found it possible to pay the people of St. Michael, and apparently it was to cover the whole entire island. I am wondering if the Minister is in a position to state when he will extend the service to the rural areas. The problem is with the trouble you get in St. Michael with people moving regularly from one area to another area you do not have those problems in the rural areas and I would like to say that if one would just pay a visit and see how these old people have to queue up at the various paying offices they would be in sympathy and understand that the time is ripe for people in the rural areas to be paid by cheque.

I can see no problem in it, Sir, and I know that the Minister is willing to listen and I have no doubt he will do all that is possible to see that all old age pensioners throughout this island are paid by cheque. It will alleviate the hardship which these people will suffer. Some of them leave home at 4 o'clock in the morning to get to these various stations to receive their pensions, especially when they are concentrating on daylight saving time it means that they have to rise an hour earlier and I feel that the time has come for the Minister to get behind his officers and see that the scheme is extended throughout the island.

I shall be grateful, Sir, if he will tell the House when he expects to extend the service throughout the Island, and I repeat, Sir, as one from among the people, I mix with them daily and I know how they suffer to get to these various stations to get their money, and I expect the Minister to do everything possible in his power to expedite the payment by cheque throughout the island.

Hon. L. S. CRAIG: Mr. Speaker, I do not think that it is fair for the member for St. Philip South to say if I had researched my files I would have recognised the fact that he was the person who was responsible or

who introduced the idea of having old age pensioners receive cheques. I was in here, I do not have to research my files, if he would like me to congratulate him, yes, it is not a bad idea, but as far as I am concerned, I would have thought that the last administration — and this is no criticism of the last administration, I do not get into this idea of everything the Dems did was wrong, I do not agree with that — what I am saying is that to my mind since I have assumed the office I will extend it first into the rural areas. That is what I would have done first, and I have been discussing it with my officers because the country folk find it much more difficult by way of transportation and so to get to the Post Office than the town folk. It is as simple as that, and my Ministry is looking into it hopefully that they will be able to solve the problem.

On the other hand, the queuing up of old people, if the member for St. Philip South is not aware of this, they receive the cheques and then they bring the cheques down to the pensions office and get the cheques cashed there, they do not go to the shopkeepers, the supermarkets or the banks. It is a common thing that the old people like to come down on the day of payment to sit down and talk about what happened, talk about how wicked the Dems were, how nice we are, all of these things. They like to come down and talk about what "Craigie" has done for them, he has put on three thousand more in 18 months and reduced the age from 68 to 65 and gave them an additional \$3.00. All of that is what they like to do, but if they receive it by cheque they cannot do this, and therefore at the end of the month they like to still come to the pensions office and sit down and talk. I have been up there with them, I know how they feel about us, I know how they feel about me in particular, and I know how they feel about you.

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

Hon. C. L. BOLDEN: I beg to second that.

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

On the motion of Hon. L. S. CRAIG, seconded by Hon. L. B. BRATHWAITE, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clause 1 was called and passed.

Clause 2 was called.

Hon. L. S. CRAIG: Mr. Chairman, I beg to move that clause 2 stand part.

Hon. C. L. BOLDEN: I beg to second that.

Hon. F. G. SMITH: Mr. Chairman, I would just like to deal with clause 2, the new section 14A.(3), and of course I would just like to say that I am not very happy with subsection (3) as it stands. "Where subsequent to the issue of a second cheque under subsection (1) a person finds the original cheque or it comes to his knowledge or he has reasonable grounds for believing that it is in the possession of another person,..." I feel we should stop at "it comes to his knowledge" and not go into the area of speculation as to reasonable grounds for believing that it is in the possession. This is an area which gives me considerable worry, and I can imagine the old people coming to town, and those who have been drawing pensions for a number of years saying "I remember when I first got mine it was \$1.50 but the Dems promised me \$13 and they promised me \$16". I can imagine all that old talk too, but be that as it may, I feel that the two areas where punishment should be, should be (1) you have found it, and (2) you know that Mr. Browne has it in his possession, and rather than going into this area of reasonable grounds for believing, since there is a punishment clause in subsection (4). You can say "I hear that Miss Jones found Miss Browne's cheque," and open yourself to a wide area of reasonable grounds for believing, and I think just as for larceny by finding, there should be two areas. I found it or I know the member for St. Joseph has it, I can say so, but I cannot go and say I have reason to believe that the member for St. Joseph has it.

1.55 p.m.

I would like to see these two cut out and just have punishment for finding the cheque and secondly know that somebody has it. It can come to your knowledge from different sources and therefore you already have some ground for knowing someone has found the cheque. So I prefer to see through clear and specific areas rather than a speculative area of reasonable ground for belief.

Hon. C. L. BOLDEN: Mr. Chairman, I am surprised that the Leader of the Opposition should worry over words which he fully well knows that if there was ever to be a case the prosecution would have to prove that the accused had reasonable knowledge of what he is talking about. But one thing I would draw to his attention, he should know that many of the complaints about cheques which have disappeared — not only old-age pensioners cheques, but cheques from National Insurance etc., — can be reasonably traced to certain persons. Let us go back to the by-election in 1970, the first year that money was paid out from the Provident Fund. We heard of certain cheques held by certain persons but the cash paid out. We said this on public platforms and it turned out to be true. The

persons whom we said had the cheques really had them, because a case arose in the Supreme Court. What we are trying to do is to insist that the recipient of a cheque who did not receive it helps the police in finding out who is holding that cheque; and unless you put some sort of onus on the person to help find the cheque which might be in somebody's hand who would cash it, you will have the problem of double cheques being cashed for the same amount. So I cannot understand why the Leader of the Opposition should worry about that if he knows what would happen in a law court.

Mr. WEEKES: Mr. Chairman, I want to comment on lost or destroyed pension cheques. I would like to say when pensioners have time at their disposal to converse it is quite possible that those cheques might be lost, but in the rural areas, there is no accommodation at the various paying offices. There are no toilets and therefore I agree *in toto* with the Minister that this scheme should have started in the rural areas, because it is pathetic to see these poor people with no seating accommodation and no latrines, going to these stations for their money. The Minister has intimated to this Honourable House that his officers are working on the extension and I do hope he will do everything possible to expedite the payments.

Hon. L. S. CRAIG: Mr. Chairman, the Leader of the Opposition raised this matter under Clause 2. I am no lawyer, but the Attorney General has looked at it and I have heard praises from both sides of the House that he is a good Attorney General, so I go along with it. I see it as simple as that.

Mr. Chairman, I beg to move that Clause 2 stand part.

Hon. H. deB. FORDE: I beg to second that.

The question that Clause 2 stand part was put and resolved in the affirmative without division.

On the motion of Hon. L. S. CRAIG, seconded by Hon. H. deB. FORDE, Mr. Chairman reported the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. L. S. CRAIG, seconded by Hon. H. deB. FORDE, the Bill was read a third time and passed.
2.05 p.m.

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, the time is now 2 p.m. We can come back and do Private Members' Business. I beg to move that the sitting be now suspended until 2.45 p.m.

Hon. H. deB. FORDE: I beg to second that.

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

RESUMPTION

On the resumption:

Mr. SPEAKER: The sitting is now resumed. It is now Question time. I am advised that there are no questions on the Order Paper. Consequently it is now Private Members' Business. There is a motion standing in the name of the hon. member for St. Lucy. When the end of Private Members' Business came on the last occasion the hon. Leader of the Opposition was addressing the Chair. He may continue if he desires to do so.

Hon. F. G. SMITH: Mr. Speaker, I will not waste much of your time because the Government seems committed to the introduction of Daylight Saving Time. I am unalterably opposed to Daylight Saving Time because, as I said before, I cannot see the reason for disrupting the habits of people over so many years, varying from babyhood to 90 or 92. It was introduced last year, and now it is being introduced for a longer period this year.

There is no criterion by which the Government can tell me that they know that it is satisfactory to any majority of people, because the question of Daylight Saving Time is a 99 per cent individual acceptance or appreciation of Daylight Saving Time. You will find some people in favour and some against. Unless you hold a referendum there is no one in this honourable House who can tell me categorically that the majority of people are in favour of Daylight Saving Time. A certain Senator — you should run him for Christ Church South or Christ Church South Central — spoke to a few people and he found that they were in favour of Daylight Saving Time. Why did he not speak to me and let me tell him that I am against it?

I also want to say that when anyone says or writes that for members of this House to discuss a matter that will affect the habits of an entire population is a waste of time for Parliamentarians is a type of arrogance which I condemn. Their telling me that as a member of this House my discussing Daylight Saving time is a waste of time is foolishness. It is affecting the life style of every person. I think that next week at this time we may have to leave the House because it will be 4 o'clock. I am sorry that it is not today. I could go back and do something during the hours of sunshine. It is a question of individual taste. The Government, however, is committed to it. At 2

a.m. next Sunday you will have to put your clocks forward by one hour. If you do not, you will be late by one hour.

Dr. CADDLE: Mr. Speaker, I find myself a little critical of this Resolution and I am going to explain why. It is because a Resolution like this, coming from the hon. member for St. Lucy who is also a representative of workers, comes at this time when in January the Government stated its intention to bring in Daylight Saving Time on the 16th April this year. 2.50 p.m.

We are here in a position discussing something that has already been decided on. What I would believe to be more appropriate coming from the hon. member for St. Lucy who is also a representative of the workers is to be out there organising the workers if they are against daylight saving time what action they should be taking to boycott it, because what I see needed right now in this country where you find a Government is bent on imposing its own views and policies on the people of this country whether or not the people are agreeable is a programme of non-violent non-cooperation with the Government. I would very much like to see this representative of workers in this country initiating something like that because too often we get around here and talk and say we are not in favour of this, we are not going to do this, we do not like it, but are not prepared to go further than talking.

I think the time has passed in Barbados when people should just be satisfied with talking. If people are not satisfied with things they should demonstrate clearly their dissatisfaction. But leaving that aside and looking clearly at some of the arguments that have been advanced here, I am a bit amazed to find people who hold themselves out to be so concerned with the fate of people in this country making statements such as that women are accustomed to doing things in the dark and another hour of darkness does not make any difference. Sir, I am concerned about women, especially black women, and when I hear remarks such as that coming from responsible people, I start to wonder, because certainly I would very much doubt if those remarks would be made about people if the bulk of the people in this society were of a different complexion. It is not fair to the people of this country to have remarks made about their being accustomed to doing things in the dark and another hour of darkness would not matter. It is very insulting.

Sir, when you look at the whole question of sleep, and this is what we have to be concerned with, and I have not heard any comments on that, sleep is a condition reflex and, Sir, you will find that a new born infant requires 18 to 20 hours of sleep, the growing child 12 to 14 hours, the adult 7 to 9 hours and old

people five to seven hours, and this is a pattern which has been built up over years with the result that you have what some people call the human clock in existence. The average person does not need a clock to tell him when to go to bed or when to get up; it has something to do with the conditioning over a period of time, and it also has a relationship with the lighting, that is the amount of sunlight which is present or absent at the particular time. When people have built up a habit over a number of years and then you go and disturb this habit, you are disturbing the people unnecessarily, and you find particularly in young children that they are most susceptible to the effects of loss of sleep. They get loss of memory, irritability, inattention, hallucination or illusions, and you have to be aware of the fact that although people might be at certain times of the year getting up in darkness, you have to note quite carefully that they get up in darkness when they had already had their full quota of sleep. When they have already had their full quota of sleep at this particular time of the year, they get up in darkness, but there is no dislocation of the normal body routine, so it is not an argument to advance that at this particular time of the year, that is, late December and maybe up to around February and March that people get up in the morning in the dark, because when they get up they are getting up after the full quota of sleep and therefore there can be no disruption. When you are putting forward the clock and forcing people to get up an hour earlier, you are disrupting them, and unless there is some motivation to justify people getting up an hour earlier, I do not see the advantages of forcing people to do that kind of thing.

Sir, in other countries of the world, such as in North America and Europe, it is a pattern due to the heavy industrialisation of those countries where you find people getting up or going to bed at all hours. It is not so in Barbados. In those heavily industrialised countries people have to work shift and you find people going home at 11 o'clock at night after finishing a shift then to sleep, and you find people getting up at 4 o'clock in the morning to go to work, and therefore they re-adjust or re-adapt their biological functions to suit environment, and there is some compensation because people would be prepared to endure that type of embarrassment because at the end of it they can see some financial return. In Barbados the pattern is not like in those countries. Furthermore due to certain physical features of those countries there is a twilight period which lasts for many hours before the sun rises and after the sun has set, especially during the summer. It is not so in Barbados, because the diurnal variation of light in Barbados from season to season is small; it may not be more than half, whereas in those countries the diurnal variation in the lighting period of a day runs very high, and at certain times you may get as much as 18 hours of light, and at other times like during the winter time the reverse

happens. You get longer periods of darkness and small periods of light, and when you go further north, those of you who recall your geography well, will find that in the northern and southern extremities of the world you get long periods of light lasting six months and long periods of darkness lasting six months. It is not so in Barbados.

What we have to be concerned with is what is the motivation behind asking people to get up an hour earlier, because in reality what you do find in Barbados is that people are not going to sleep an hour earlier; people have built up habits which have come with them not over night but over a period of time, and they are not going to sleep an hour earlier because you have advanced the clock an hour. People are not going to sleep by the clock. The majority of people in the country do not have to carry around a clock and say "oh dear, it is 9 o'clock, time to sleep!" Neither do they have to depend on the alarm clock to awaken them. Going to sleep and waking from sleep is a condition reflex which is built up over a number of years; so you will find that the person who is accustomed to going to sleep at a particular time is not going to be forced to go to sleep an hour earlier by merely advancing the clock. What you are doing with that individual is making him work an hour longer because he is going to sleep at the usual time with no regard to the advancement of the clock by one hour, and he is going to be inclined to get up an hour earlier because you say he must get up an hour earlier to get to work, and you will find that his normal biological functions become disrupted. At the end of the period he is not in a position to show any reward or benefit from having subjected himself to that type of embarrassment, so he is likely to be more disturbed.

When you look at the problems of this country I do not see daylight saving time contributing to any solution. We do not require daylight saving time to solve our balance of payments, to produce more employment or to solve our need for increased productivity. We do not need daylight saving time, we need a lot of other things beside that, and unless you can get those other things, having daylight saving time is not going to matter a lot to the people of this country. When you hear the question of surveys it is interesting because I have a letter posted to me this week which I am not going to make a document, but it shows how people in this country view it because you can produce evidence to show there are people who are dissatisfied and not in favour of it, and you can also get people who say they are in favour of it. This does not prove anything because one set of people can come and say they are in favour of it while another set will say they are not in favour, and because some evidence has been collected by Pabbo to show that a few people like it does not justify your introducing it, because there are

several other people against it. What we all want to know is what we are gaining by the introduction of daylight saving time, and this is what I would like to hear a worthwhile answer to.

I am not opposed to daylight saving time because it does not affect me. I am an early riser. I was brought up in those days when your parents would make you get up early in the morning and go outside because they felt it had something to do with obtaining good health. They woke you up whether or not you liked it and told you to go outside and let the wind blow on you, and that is a habit which I have continued right up to this day; so really daylight saving time for me personally is not a problem, but I cannot view it only for myself.
3.00 p.m.

So really daylight saving time for me personally is not a problem, but I cannot think only for myself, I have to be concerned with those people who have been making out to me that it is causing a disruption in their lives, and it is definitely causing a disruption in the lives of children, and it is also causing a disruption in the lives of women. These are the people who suffer most by the introduction of daylight saving time in a situation where there can be no justification, where there is no motivation to get people adjusted, and where at the end of the period the people are not in a position to say what are the benefits they have derived by enduring daylight saving time for four, five or six months.

The argument which has been put forward that it suits sportsmen, we want to know how many sportsmen in Barbados are availing themselves of daylight saving time, because in Barbados sportsmen get problems with their employers as to the times when they should go out and take part in sports, and I would like to know definitely what surveys have been carried out to really indicate that a large number of sportsmen are benefiting from this type of exercise, because whenever you are finished you are going to find that although the daylight saving time will be introduced there will not be any great change, there is not going to be any more participation by people in the area of sports. Maybe the cricketers will welcome it because they have a longer period to play cricket, but they play cricket whether there is daylight saving time or not. What I would like to know would be how many more people have been induced into participation in sport when you have introduced daylight saving time.

Sir, when you look back over the years, Barbados has produced outstanding sportsmen in the absence of daylight saving time, and therefore it is doubtful if the introduction of daylight saving time has any grounds for claiming that you are going to get any better sportsmen in the future. If you look seriously at the question of

health for the Barbadians, I will agree that at some time one has to look at the health of the Barbadians because we have too many people in this country with protuberant abdomens, too many people in this country who are far too fat, too many diabetics, but you have to attack that from an entirely different angle than the angle of daylight saving time. If you are interested in the health of people and you want to get people trim, you want to eradicate or reduce the incidence of diabetes in this country, there has to be more far reaching action taken than the mere introduction of daylight saving time in this country, so we are still at a loss to find out why the mad rush to introduce daylight saving time, and it leads one to no other conclusion to draw than the one that it suits the whims and fancies of the Government. We do not expect the Government to rule that way, and if this Government as it is now constituted is really out to prove to the people that they are better than the previous Government, or they are more concerned with the welfare of the people of this country, than the previous Government, it is high time to take stock of the way in which they go about introducing some of the measures they have been introducing in this country. It is the people that count, it is not the few of us who get in here and wield some power who really matter in the long run, and if you are really concerned with the people then you have to be listening to find out how are the people reacting to this. Do not take refuge in a few surveys which are carried out by Pabbo or by other people of that type to justify the introduction of daylight saving time, you have to be concerned with the real feeling of the people and do not seek to alienate people from you by the mad rush to introduce certain decisions or take a certain action, however attractive those decisions may appear to you, and I would ask them to pause and consider. There is no gain.

It is not a question that we will employ more people, it is not a question that we are so heavily industrialised that we have a shift system in Barbados now therefore you can see people readjusting themselves because work is involved, and at the end of the work period they know they are going to get money, no such thing. I would say that the introduction of daylight saving time is only another ruse to detract the people from paying particular attention to the mismanagement of the affairs of this country by the Government as it is now constituted. This matter of daylight saving time is not really a matter which the Government should be so bent on introducing because it is not going to improve the economy, it is not going to decrease the level of unemployment, it is not going to decrease the incidence of disease in this country or any type of thing, so I would implore the Government to take a more lenient outlook on the matter and rather than being concerned in saying we are the Government and you have to do what we say, or remember in the past when we were in the Opposition we had to listen so you have to listen now

because we are the Government, I would implore them to look at the question of the comfort or discomfort of the people in this country.

I would like to say that right now this mad rush for the introduction of daylight saving time in this country is something which does not have the support of a majority of people in this country. I will concede that you can get people who will say that they are in favour, but also at the same time you must concede that there are people who will say that they are not in favour and it is disrupting their lives. I happen to be critical about it, and as I said in my opening remarks, I do not understand why the hon. member for St. Lucy should come here today with this Resolution asking the Government to reconsider anything of this nature when the Government has already publicised on January 23, 1978 their decision to introduce daylight saving time on 16th April. What he perhaps should be doing is canvassing the workers in the Barbados Workers' Union to find out how they feel about daylight saving time, if the workers in the Barbados Workers' Union whom he represents are not in favour with daylight saving time he should then be organising them how to go about it, not coming in here with a Resolution, and that is why I am critical of it.

I am repeating that we are at a stage in Barbados where people must be prepared to do a lot more than just open their mouths and shout their disapproval or dissatisfaction about what is going on in the country, because we are fast reaching a stage in Barbados where politicians are not concerned with having to admit the wishes and the feelings of the people in this country, and that is the stage we are reaching and something has to be done to stop it. I would like to ask him what has he done really in this matter rather than coming in here and introducing a Resolution asking the Government to reconsider its decision to introduce daylight saving time.

Mr. GREAVES: Mr. Speaker, before the question is put I think there are a number of points which I just want to respond to which were made in the course of this debate.

You will recall, Sir, that the first time we debated this Resolution the Prime Minister supposedly led off the position of the Government and he made reference to a number of things relative to daylight saving time, and the reason behind the Government introducing daylight saving time, and furthermore, he indicated that surveys were done, and other things that I would want to comment on as far as this particular matter is concerned.

In listening to the Prime Minister one heard him making a very big play about requests from a large number of people from the constituency of St. Philip North who sent a petition to the Government urging the Government to press ahead with the decision to

implement daylight saving time. However, when one got to the truth of the matter, one discovered that there was a handful of the supporters of the Barbados Labour Party who made this request, and I think a letter was subsequently published in the newspaper demonstrating this in no uncertain terms. I heard reference today to one Pabbo, I do not know if this is in relation to an organisation in St. Philip North carrying the initials PABO, that might very well be the situation, and maybe we could get some indication as to the meaning of those initials.

3.10 p.m.

If this is the basis on which the Prime Minister is going to base the feeling in the country on daylight saving time, I think we deserve a better reply. The Prime Minister indicated that he has instituted a secret survey and that the results of that survey would contradict the feeling of Opposition members on this matter. What remains unsaid as far as the Prime Minister is concerned is the extent of this survey, and certainly to conduct the survey in a manner in which only a secret survey is conducted would indicate clearly that it was not a scientific survey. I think you would appreciate, Mr. Speaker, that a scientific survey is what should be expected in this case and anything different from that cannot be accepted as plausible. So that for the Prime Minister to use a cheaper survey would certainly not give a true picture of the feelings of this country on daylight saving time.

Now the hon. member for St. Michael North Central indicated that the Government had stated since 23rd June last year that daylight saving time would come into effect on 16th April this year. Parliamentarians often have an opportunity to test the feeling of people on matters which affect them, and it is my contention that in this country one can sense a feeling of ill will towards daylight saving time and I believe there is a large number of persons opposed to it and concerned about the high-handed way the Government went about this matter. As a result, Mr. Speaker, I beg to move that this Resolution do now pass.

The question that the Resolution do now pass, was put and resolved in the negative, the House dividing as follows:

Ayes: Hon. F. G. SMITH, Mr. L. E. SANDIFORD, Mr. E. E. GREAVES and Mr. B. M. TAITT — 4.

Noes: Hon. H. B. St. JOHN, Hon. L. S. CRAIG, Hon. C. L. BOLDEN, Hon. L. B. BRATHWAITE, Hon. L. R. TULL, Hon. B. A. MILLER, Dr. R. L. CHELTENHAM, Messrs. L. L. SISNETT, V. L. JOHNSON, His Honour E. E. ALLEYNE, Mr. DeL. O. BRADSHAW and Mr. J. G. ODLE — 12.

RESOLUTION TO ESTABLISH WORKING GROUP TO EXAMINE ALL ASPECTS OF BARBADOS CIVIL SERVICE

Dr. CHELTENHAM: Mr. Speaker, I do not propose to proceed today with the Resolution standing in my name and ask that the Resolution be postponed until another occasion.

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, that concludes Government and Private Members' Business for today, and I beg to move that this Sitting be now suspended until 5.15 p.m. tomorrow.

Hon. C. L. BOLDEN: I beg to second that.

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

3.20 p.m.

On Resumption:—

Hon. H. B. St. JOHN: Mr. Speaker, the Leader of the Opposition and I had certain consultations with a view to ensuring that today's proceedings proceed in a manner in which debate can take place without any technical objections, and it is proposed to ask the House to suspend certain Standing Orders, namely those Standing Orders 21 and 22 which relate specifically to the giving of notices, and this is arising after a very careful examination of the existing rules of the House which provide under the section dealing with times for debate a special procedure for the debate of the budgetary proposals. However, under the section dealing with notices it does not make any special provision for a debate without notice, so that just as it is customary in all Parliaments for the Opposition to move a motion either critical or complimentary — I must say that that is the exception rather than the rule — in order for us to permit as of right a reply without limitation, it is proposed that after the budgetary proposals a certain Resolution will be moved by the Minister of Finance which would found the debate to this Resolution.

Hon. members on the other side will be entitled to amend it in whatever terms they think fit, and there will be no question at all that after the Prime Minister and Minister of Finance moves the motion it will be formally seconded on this side without any speech, and immediately thereafter the House will be suspended and the debate will resume tomorrow, and the Leader of the Opposition or his nominee will be entitled to make the principal speech on behalf of the Opposition.

I think that this agreement will ensure that there will be no procedural problems and that the debate will

take place in an atmosphere of no procedural disciplines.

Mr. SPEAKER: I believe that we are all looking forward to a very healthy debate today, consequently we have had this good preamble from the Hon. Leader of the House for which we thank him, but I am now to announce that this sitting, suspended from yesterday, is now resumed. The Hon. Leader is now free to make his motion for the suspension of the appropriate Standing Orders.

SUSPENSION OF STANDING ORDERS

Hon. H. B. St. JOHN: Thank you, Mr. Speaker. I beg to move that Standing Orders 21 and 22 be suspended for the remainder of this sitting.

Hon. L. S. CRAIG: I beg to second that.

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

GOVERNMENT BUSINESS

Hon. H. B. St. JOHN: Mr. Speaker, there is an Item of Government Business standing in the name of the hon. member for St. Andrew, the Minister of Communications and Works, on which I have spoken to the Leader of the Opposition. It is a Bill to amend the Prevention of Floods Act, it is a very, very short Bill and it is of great import to Parliament in that it provides that before an Order is made by the Minister plans have to be laid before Parliament. I have received the concurrence of the Opposition to deal with that matter in the interim before the budget speech.

I beg to move that Item B on the Order Paper be now dealt with.
5.25 p.m.

Hon. L. B. BRATHWAITE: Sir, I am grateful for the indulgence of yourself and other hon. members that this matter be proceeded with. The amendment to this Act is vital to solving the problems of the past with respect to areas of flooding, and since we are actually on the eve of the bad weather we feel it is important we should have the amendment to the Act which only calls for the laying of plans and not any long drawn out activities, whereby we might find ourselves with no procedure laid down formally whereby we can proceed to declare certain areas of the Island flood areas. We are aware of the problems encountered a few months ago in the area of Holetown, St. James. Fortunately we succeeded in solving the problem there. We have also had bad areas in Worthing and in Christ Church East in Goodland and a number of other areas throughout the

Island. We are also all acquainted with the problems encountered from time to time in low lying areas.

Mr. SPEAKER: Did I hear the hon. member say Queen Street, St. Peter?

Hon. L. B. BRATHWAITE: I did not say it yet, Sir, but we have been making arrangements to have Queen Street and other areas in Speightstown worked on, and I wish to assure hon. members that with the amendment we shall be able to have matters dealt with as expeditiously as possible.

Historically the matter of floods in the Island is well known and there is no need for repetition. I do not know if hon. members want any further light on the matter but in essence the amendment gives the Minister power to declare certain areas as flood areas. Without much more ado, I beg to move that the Bill be read a second time.

Hon. F. G. SMITH: Mr. Speaker, the Opposition is not objecting to this piece of legislation, although I do not know whether the Minister has got priority for it at this stage. True we had rain two nights ago, but judging from the present position in the country the likelihood of flooding seems remote and we should be praying for rain rather than talking about floods, unless he has communications from some higher authority that floods are around the corner. However, the Opposition is not opposing the amendment, because the history of floods over the years has indicated to us the seriousness of the problem. We have lost some lives from time to time. But apart from regretting these unusual proceedings we are prepared even at this short notice to enable the Government to pass this legislation in the interest of flood control and of remedial action in particular circumstances.

Mr. SANDIFORD: Mr. Speaker, as the Leader of the Opposition indicated, we are not opposing this particular measure but I would like to make a few observations. I believe that the reason why there was a requirement that these plans should be brought for the approval of Parliament was to ensure that those representatives whether on the front bench or the back bench should be made aware of any important development which would affect their constituency or which would affect the residents in particular areas in which they might have an interest. I believe this is the main reason why such a provision was included in Cap. 235 in order to remove these particular conditions. It means this is yet another step — I am not disagreeing with the move if it brings greater urgency and speeds up the whole process — this would be an advantage. But if this means that members of Parliament in constituencies where flood work will have to be undertaken may not be made aware of important

developments affecting their constituencies, then I would like to see some assurance given that representatives of certain areas in which flood works are to be undertaken would be apprised of any action to be taken.

Mr. Speaker, I know that you have an interest in people generally and the people of Queen Street, St. Peter in particular and there are other hon. members who have this type of interest, and I would hope the Minister in replying could give us an assurance that in those areas in which flood works are to be carried out, in order to preserve the process of consultation embodied in the Act, members of Parliament would be consulted when major flood works are to be carried out in particular areas.

Hon. H. B. St. JOHN: Mr. Speaker, perhaps it is because of the short notice the hon. member had about this Bill that he does not appreciate that the whole object of this amendment is to ensure that before an area is declared a flood area plans of the proposed area are to be laid before the Houses of Parliament. There is a restriction upon the powers of the Minister to declare an area a flood area without informing Parliament. By laying the plans before he makes an order, members of both Houses of Parliament would be able to make objections before he lays the order.
5.35 p.m.

I think that the hon. member is labouring under a disadvantage because of the fact that the revised laws which he is looking at have been revised since then. That is one of the problems of the revised laws because we do not take into account amendments made after they were revised. Maybe this is what has thrown the hon. member off; but the section itself is quite clear that before the Minister can make an order he must lay a plan before both Houses of Parliament, thereby giving all members of both Houses of Parliament an opportunity to make their contributions. The hon. member clarified the point, and we will suggest to the Minister that we do the second reading and bring to the House the particular amendments to the Act.

Hon. C. L. BOLDEN: Mr. Speaker, the Leader of the Opposition wondered why it was necessary to bring this piece of legislation at this time when we are going through a drought period. I believe that if he was following the Met reports recently he would be aware that we are going through what the Met experts feel is a seven year drought period, and no one knows exactly when the drought period will break. I want to draw to his attention the situation that occurred in the U.K. and which is still occurring in the California area of the U.S.A. After going through a period of drought there is always a breaking up of clouds which results in serious flooding. Apparently from the research that has been done in Barbados it appears that every 100 years we go

through a drought period and then generally go back to a good lot of rain and flooding.

I must confess that this business of forecasting rain seems to be something outside of the knowledge of the best forecasters. Only about two weeks ago, on a Sunday morning it started to rain. I telephoned the Met Office and they said that these are supposed to be convectional rains that you only have at 12 o'clock in the day; but at the same time these rains were falling at 9 o'clock in the morning. I believe that if the Leader of the Opposition observed last night, the Northern and Eastern parts of Barbados had considerable rainfall, but the Southern part had no rain at all. So one cannot wait until we enter into the rainy season so as to free the hands of the Minister to take appropriate action at the proper time. So, it is necessary at this time to have the legislation ready so that the Minister will be able to make the necessary Order.

As the Leader of the House has said the legislation does not envisage that the Minister will go into any area and declare it a flood area until both Houses are notified by the laying of the legislation. Therefore, if the Opposition will want to raise any question they can do so because the Order will be laid before Parliament.

Hon. H. deB. FORDE: Mr. Speaker, I think that the member for St. Michael South raised the point about a need for consultation. The only substantial change made in this Act is the necessity not to have plans confirmed by the House. The plans instead will be available to the House; under the present constitutional practice, any hon. member can make a motion adopting the plan or asking for it to be deleted. In the instructions which we got from the substantive Ministry you will see that the plans must be laid for information. We are advised that it is part of the constitutional practice of the House that anything laid on the Table of the House is not only for information, but also for debate; so that the right of hon. members to debate, to reject, or to modify the plan is not taken away by the amendment.

I made this research because we are ever conscious of the right of Parliament to have an overseeing eye on whatever the Government does. The only problem is in the absence of the proper revised laws of Barbados not being up to date. At this stage there is a new Section 2(a). It looks as though it probably should be renumbered; but I would not like to send it to the Other Place without ensuring whether or not the renumbering seems to be correct. I think that all hon. members will know that we labour in this House under great disadvantages; and one is the fact that although we are looking at the Laws of Barbados as printed, it is

not necessarily the Laws of Barbados as obtain today; but steps are being taken to correct this by May.

Hon. L. B. BRATHWAITE: Mr. Speaker, I just want to briefly reply to the Leader of the Opposition and to confirm what the Hon. Attorney General has said on this matter. He wanted to know if I had communications from above; but certainly the great man upstairs always helps those who help themselves. There is no point waiting until you get communications from above because I do not think that He will admire you. You have to take measures to correct the problems before they affect you, especially when you know that you are prone to these problems.

We have just passed through a serious drought period, and it is felt that we are on the verge of very rainy weather. Therefore anything can happen at this time. It has been always so in Barbados. As the Hon. Attorney General said in reply to the hon. member for St. Michael South we do not believe in the practice of just laying matters in Parliament for information which was recently suggested; but we felt that the matters could come in a proper way; and that is true of our attitude and our form of open Government; and we feel that people should be informed by way of laying matters in Parliament so that the elected representatives of the people would be aware of what is going on.

Mr. Speaker, I would like to move, as I moved before, that this Bill be read a second time and then we can postpone further consideration of the Bill.

Hon. H. deB. FORDE: I beg to second that.

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

Hon. L. B. BRATHWAITE: Mr. Speaker, I beg to move that further consideration of the Bill be postponed.

Hon. H. deB. FORDE: I beg to second that.

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

5.45 p.m.

Hon. H. B. St. JOHN: Mr. Speaker, the next Item on the Order Paper is Item "A" standing in the name of the Hon. Prime Minister.

Mr. SPEAKER: Item No. "A" stand in the name of the Hon. Prime Minister, to present the Annual Financial Statement for the year 1978 and the Budgetary Proposals for the Financial Year 1978-79.

Hon. F. G. SMITH: Mr. Speaker, just before the Prime Minister begins, it is usual to give the Leader of the Opposition a copy. This has been happening for years and I want to know if he is departing from that position where the Leader of the Opposition gets a copy. I am asking whether that courtesy will be extended to me this afternoon. That is all I am asking.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, it is understood that the Leader of the Opposition has been given a copy for years. It is a fact that the Leader of the Opposition had been given a copy last year and the year before on occasions when it was intended that the reply would be made immediately. On this occasion it was not intended that the Budget be replied to immediately, and since there are various matters to be taken into consideration in this matter, it was thought that a return to the old practice might be desirable upon this occasion. In the ordinary way I would have to ask the Leader of the Opposition to keep the matter confidential from his colleagues and so on. It might have occasioned a certain invidiousness upon this occasion that I would not have thought he would have wished to go into the special circumstances of the case.

Hon. F. G. SMITH: I just want to say this. I will sit down in here until you finish if you think I will run out with secrets. I will give you that undertaking, but since you are broadcasting to the whole Island, I cannot see any objection to my having one in my constitutional position as Her Majesty's Leader of the Opposition.

Rt. Hon. J. M. G. M. ADAMS: Upon the basis of confidentiality I will be glad to extend to the Leader of the Opposition a courtesy which was never extended to the hon. member for Christ Church South Central when he was Leader of the Opposition or except on one occasion to me, or ever to Sir Grantley Adams. I will be glad to extend the courtesy on this occasion. I am sure that the hon. member will treat it confidentially over the next two hours.

117.9 thousand tons, exceeding 1976 production by 15.6 per cent and the actual earnings were \$74 million. A smaller number of cane fires coupled with favourable rainfall in 1976 contributed to the improvement in sugar production and average production costs fell from \$663.20 per ton to \$599.90 per ton. On the other side it is encouraging to note that the share of Gross Capital formation in GDP expenditure rose from 22% to 24% and the Government welcomes this growth in investment's share of overall spending.

Employment

The major inference which can be drawn from the data obtained from the Continuous Household Sample Survey on Employment which now forms a regular part of the work of the Department of Statistical Services, is that there has been a very slight decrease in the level of unemployment in 1977 compared with 1976, and a substantial decrease compared with 1975. It should be noted that the co-efficient of variation in the Sample is approximately 10 per cent, and hence small changes in the various components of the labour force must be interpreted with caution. It appears, however, that in 1977 the average rate of unemployment was 15.6 per cent compared with 15.7 per cent in 1976. At the same time, it must be stressed that the employment situation in 1977 was considerably better than in 1975, when the unemployment rate at year end rose to 22.0 per cent of the labour force.

Balance of Payments in 1977

The critical situation in the country's balance of payments has been occupying Government's attention in the recent past. The structural deficit problems persisted in this area in 1977 although the overall deficit of \$19.5 million was a considerable improvement on the previous year's which stood at \$38.6 million.

The deficit was kept to this level only through timely interventions by the Central Bank early in 1977 to deflate the surge in imports brought about by increased domestic demand. This unfavourable trend led to the introduction of restrictions on the importation of a number of goods and to the containment of the growth in private sector credit and particularly of credit destined to finance imports of consumer goods. Analysis shows, that for the year as a whole, consumer imports in nominal value nonetheless rose by 10 per cent. A heartening feature, however, of the higher overall import bill was the increased expenditure on imports of intermediate and capital goods. The restrictions were not intended to affect importation of these goods, and these two categories increased by 16 per cent and 30 per cent respectively. These increases reflect expanded capacity in the private and public sectors but are also indicative of the high import content of tourist, export and building expenditures.

Inflation in 1977

The favourable performance of the economy in 1977 was accompanied by a resurgence of inflationary pressures. Retail price increases which had fallen to an annual average of 5% per cent in 1976 were recorded at 8.3% in 1977. The end of period figures

were 3.9% and 9.9% respectively. These figures reflected to a small extent the impact of certain budgetary measures and of increases in the cost of medical and personal care, but they arose more substantially out of movements in the prices of locally produced foods. This phenomenon which is one of the less desirable characteristics of a policy of import substitution, led the Government to impose price controls on items of locally grown food for the first time in some years. The situation, which may initially have been occasioned by the combination of mid-year drought and by import controls designed to protect local farmers, was compounded by pressures arising out of wage settlements which put more money into circulation without any corresponding increase in output. The average increase in wages for 1977, as shown in the Economic Report, was of the order of 15 per cent, but the increase in local food production was only 1½%. There is no doubt that, with increased money incomes, local food rationed itself by rising in price to the point where supply met demand. This is the classic wage-price inflationary situation and is further illustrated by the fact that imported foods remained remarkably stable in price throughout the year. The Government is highly concerned over the problem of holding the prices of locally produced foods at or near the levels at which they can be imported, while at the same time maintaining farmers' incomes and saving foreign exchange.

Farmers will therefore be encouraged and assisted to develop a really vigorous export programme for non-sugar agricultural products, grown and marketed on a larger and more continuous basis than the local market can by itself support, so that economies of scale in both production and processing can be achieved with consequential reduction of price levels.

General Economic Problems

Mr. Speaker, I have so far confined myself to the immediate successes and problems of 1977 but, as was generally agreed on both sides of the House during the recent Estimates debate, we in Barbados are facing longer term structural economic problems than such as are confined within a single year or can be solved in one, two or even more years. In particular, we are faced with the short-term problem of the Government's own finances, which have stubbornly remained in structural deficit even through two years of recovery and overall growth in the economy; and also the more medium-term problems of external balance; the persistence of unemployment at high levels, higher indeed than 20 years ago in 1958 – 1960 when they were already at levels that would be considered critical in developed countries; and finally the ever-present danger of inflation.

Government Finances

To deal first with the Government's finances; these form the basic subject-matter of budgeting, and I will necessarily return to this fundamental theme from time to time. Sufficient now to state, Mr. Speaker, that in both 1977–78 and 1978–79 the Government is facing overall deficits current and capital of the order of 12 – 14% of our GDP and that this is much too crippling and high a percentage; and to reiterate that it is not proposed in this Budget or otherwise, to attempt to eliminate our

encouragement will have to be given to the establishment of such industries as those manufacturing electrical machinery, instruments, chemicals, as well as those engaging in reconditioning activities. All of these proposals will of course have to be set within a general framework of Government fiscal and monetary policy aimed at determining general levels of economic activity.

The problem of Inflation

Mr. Speaker, the fourth great problem which confronts us is that of inflation. A small and very open economy such as ours has advantages and disadvantages in relation to rising prices viewed as an economic problem. Firstly, the level of our overall demand is negligible in relation to the outside world and increasing prosperity in Barbados can therefore have no effect on import prices. On the other hand, if prices are rising externally we can do nothing to avoid importing the consequent inflation even if we are far from prosperous locally. Until 1972-73 we had the benefit of the first situation. When the other side of the coin was revealed in 1973 few would now deny that the policy of the then Government compounded the inflationary situation by introducing the components of the wage-price spiral about which I have already spoken. The figures show quite clearly that only about half of our 1974-75 inflation was imported; the rest was purely a domestic product. One of the most disturbing factors brought about by the then situation was the creation of a very strong inflationary psychology, so that the population became so firmly attached to the belief that standards of living were being eroded by rising prices that this view continued to be strongly held even after prices were stabilised in 1976, while wages continued to rise. Local prices of fundamental food items imported into the island — meat, rice, chicken parts, flour for bread, cornmeal, English potatoes have not risen and in some cases indeed have fallen since 1974-75. Locally produced chicken and condensed milk have not changed in price since that period. But there is nonetheless a deep and abiding feeling that wages must continue to chase prices as if we were still in 1974, instead of an understanding that without rises in productivity wage increases will necessarily press on prices or on the balance of payments or both. Those who point, for example, to the improvement of sugar workers' earnings are not appreciating that their increases were facilitated by the dramatic rise in international sugar prices between 1974 and 1975 a fortuitous factor absent from conditions in most other sectors of the economy. In addition, the course of treatment adopted by the former Government for our then economic illnesses was to permit a rapid expansion in the money supply and in domestic credit, most of which went into consumer spending. These misguided policies led to an excess of aggregate demand which further fuelled domestic inflation and led to increased imports to the detriment of the balance of payments. The treatment was clearly wrong, for the patient nearly died, but fortunately in the end it was the doctor that departed on September 2nd, 1976.

In concluding this brief review of the major economic problems which face our Country in the short and the medium term I must caution that there is a high degree of interrelationship between external balance, employment, and inflation. In formulating appropriate policies it is essential to recognise that there are important trade-offs between inflation and employment, and that a rise in the level of business

activity which can lead to more jobs, will also lead to increased imports of intermediate and capital goods. Further, if we are to enjoy the benefits of greater employment, we must be prepared to endure a little of the trauma of rising prices. What we have to ensure is that we put the days of "stagflation" behind us — the pernicious combination so marked in Barbados in 1975 of rising prices combined with unemployment.

Government's General Policy

Mr. Speaker, I have analysed in some detail the major problems facing the Barbadian economy. I now propose to outline the Government's approach to restoring stability to the economy in the short-term and to bringing about the necessary structural and institutional changes to deal with our medium-term problems.

The Barbadian economy has now recorded two successive years of growth. Indications are that, provided the corrective measures currently being applied to guard against a further deterioration in the balance of payments are maintained, prospects of an acceleration of economic growth are good with the attendant beneficial impact on employment and income levels. Looking at the year ahead, therefore, Government's economic strategy will be to continue to implement the package of policies which have already resulted in significant improvements to the economy in general and the balance of payments in particular. Because of the inter-relationship between the rate of expansion of domestic credit, the size of the public sector deficit, the rate of wage increases and movements in the foreign reserves, the measures involved cover the areas of monetary and fiscal policy, import controls and incomes and prices policy.

Excessive and rapid expansion of domestic credit not only leads to a build up of imports and pressure on the foreign reserves but can also in certain cases add to inflationary pressure. Monetary and credit policy, therefore, is concerned to prevent undue expansion of the monetary base which implies that the growth of the liabilities of the private and public sectors to the Central Bank must be kept within strictly defined limits. Policy must concern itself with the movement of total domestic credit because any beneficial impact of curtailment of credit to the private sector on the foreign reserves can be easily negated by the creation of money by the Central Bank to finance the Government deficit, for in these modern days, Mr. Speaker, Governments do not have actually to resort to printing money when all other sources of finance run dry; the extension of Central Bank credit has exactly the same effect and can do exactly the same damage. I will deal with the financing of the deficit later, but generally the emphasis of monetary policy will be the same in 1978 as in 1977. The aim will be to control the total amount of credit created and to ensure that its allocation favours the productive sectors and not private consumption. The policy of controlling the growth of consumer spending through regulation of down-payment and repayment terms for consumer credit and maintaining the overall credit ceilings for loans to the personal and distributive sectors will be continued. Combined with the policy of limitation of the growth of credit will be selective use of specific policies to encourage the re-allocation of existing credit to the industrial, tourism and agricultural sectors through the use of Central Bank re-discount facilities.

the public sector is to deplete the foreign reserves, and in certain circumstances, put pressure on the price level.

It is important to note, therefore, that in order for the other stabilisation policies enunciated above to be effective, the rate of wage and salary increases must be related to gains in real output in the economy. It is precisely because there is no certainty that the normal workings of the free collective bargaining process between employers' and workers' organisations will result in wage increases of the desired levels that Governments in mixed economies all over the world have been constrained to attempt to influence the size of final wage settlements in the economy.

Mr. Speaker, in all the discussions about the need for an incomes policy, much stress has been placed – and quite rightly – on the need for equity in the implementation of such policy. This is an emphasis with which the Government fully identifies. I have repeated on several occasions that implicit in the concept of an incomes policy is the recognition that not only must the claims of the less well off be accorded first priority but that the better off must bear their share of the burden of sacrifice. These are the two basic principles which must underlie implementation of any incomes and prices policy.

Many of those who have most vehemently opposed the adoption of an incomes policy have focussed on the existing inequalities of income distribution in Barbados and have argued that any attempt to limit the rate of wage and salary increases can only make this situation worse. I consider this, Mr. Speaker, to be nonsense. In the first place, since it is agreed that, within the framework of any incomes policy, higher increases will be granted to the less well-off and lower or no increases to the better-off, then an effective policy will actually lead to a more equitable distribution of income than the unfettered operation of the collective bargaining process. In addition, however, I do not think it is generally recognised how relatively egalitarian a society Barbados already is. As an illustration of this, I refer to two facts. The first is that the 1976 income tax returns show that out of a total roll of less than 60,000 taxpayers only 8 individuals declared assessable incomes in excess of \$100,000, from all sources including rents, dividends or other unearned incomes. The second is that in the public service of Barbados, the ratio of the highest to the lowest paid is currently 7½:1 before tax, and 4:1 after tax, ratios extremely favourable to the lowest paid. I think we will appreciate the significance of these figures when we realise that recent evidence suggests that, even in communist countries which claim to be model egalitarian societies, after tax ratios of no less than 100:1 between the highest and lowest paid are not unknown.

Mr. Speaker, the Government feels strongly that an appropriately structured incomes and prices policy is an essential complement to the other stabilisation measures discussed above. To be acceptable and effective any such policy must contain the following features –

1. It must seek to redistribute income in favour of the lower income groups;

2. It must be accompanied by a revised and comprehensive price control policy aimed at limiting the increase in prices of essential commodities; and
3. Non-wage incomes such as dividends and profits must be strictly limited during the period of restraint.

The National Economic Council has discussed some of these issues in a general way. In addition, a sub-committee of the Council was set up to consider the question in greater detail and this sub-committee has had some very useful and informative discussions. The view has been expressed by some members of the Council that additional information is required before the specific guidelines of an incomes policy can be spelt out. It is my firm conviction that every effort should be made to use the machinery of consultation to see whether an agreed consensus on the outlines of such a policy can be achieved before the Government is forced to take unilateral legislative action on prices, incomes and profits. It is therefore proposed to pursue the process of consultation further to see if a consensus will emerge among representatives of the Government, of workers organisations and of the business sector.

Mr. Speaker, I have spoken at some length about the policy Government will be following in the months ahead since this is a Budget Speech and a budget is concerned with events in the coming fiscal year. As I have observed earlier, however, the problems we face, while temporarily amenable to short-term stabilisation measures, require permanent medium-term solutions. The medium-term measures which Government will adopt will be spelt out in detail in the next few months when a White Paper setting out the development strategy over the period 1978–82 will be laid before Parliament. At this stage, I should like to emphasise the need for urgent action in a number of areas indicated by earlier analysis, starting with last year's Budget:

1. First, increased mobilisation of domestic savings. A number of measures have already been implemented to increase the level of involuntary savings and to ensure maximum retention of savings generated in the economy. The imminent establishment of a Stock Exchange will facilitate the growth of private savings. Additionally, the National Economic Council is actively considering the introduction of new incentives to encourage the growth of private savings.
2. Second, Mr. Speaker, the need to increase the level of investment in the economy. In order to expand employment and income it is vitally necessary to expand the productive base of the economy, and this in turn requires investment in expansion of existing plant and the setting up of new production facilities. Government will itself over the next few years be initiating major new projects in the Scotland District, in the exploitation of energy resources, and in the construction of new highway systems. In addition, tourist accommodation will be expanded, new industrial estates constructed and comprehensive re-development of both Oistins and Speightstown undertaken.

In addition, Government is currently seeking ways and means of increasing the inflow of private foreign capital. A Double Taxation Agreement with Canada has been finalised and completed and will shortly be signed. Government will be seeking to negotiate similar Agreements with other potential sources of investment capital in Europe and will be re-negotiating a number of existing Agreements, (in particular that with the U.K.) which do not recognise recent changes in our tax system and which we regard as highly unfavourable to us as they now stand.

3. Third, Mr. Speaker, expansion and diversification of exports of goods and services. As has been repeatedly pointed out, there is a crucial need to shift resources into productive investment especially of goods and services for export and away from private and public consumption. Unless this is done, standards of living in Barbados will be stagnant and the country will find its development efforts frustrated by preoccupation with rationing ever scarcer amounts of foreign exchange.

For this reason, Government will intensify its programme of assistance with export promotion. Much of the ground work has already been laid. The Export Promotion Agency and the Export Advisory Council have been set up and are functioning, and the country has been represented at three international trade fairs. Market studies are being initiated and staff is being trained. External assistance is being sought in the latter regard. Additionally, the Central Bank will shortly be initiating its Export Credit Guarantee Scheme.

Government intends during the year to enact a new Financial Institutions Act which will replace the existing Banking Act. It will, *inter alia*, provide for the provision of what is in effect, a major new service for Barbados – an offshore banking regime, part of the planned tax haven.

Offshore banking is a relatively recent innovation that has been a factor in the development of a number of international financial centers. In almost all cases the legal framework for the innovation has taken the form of a series of regulatory exemptions from the requirements of various statutes concerning banking and related matters. These exemptions have frequently been made on a purely pragmatic basis without reference to any comprehensive view toward the creation and development of an offshore sector. By contrast, the preparation of the Financial Institutions Act for Barbados has been undertaken with the express objective of creating a new offshore centre of the highest standard and the assistance and advice of experts from the International Monetary Fund itself has been obtained and is embodied in the draft legislation currently under consideration.

The objective of creating a sphere for offshore banking is to bring in substantial foreign business that would not otherwise find its way to Barbados. In order to implement this objective, a number of incentives must be accorded to foreign financial institutions so as to attract their presence. These incentives concern confidentiality of operation as well as exemption from required reserves and specified assets requirements, capital requirements, lending restrictions, interest ceilings and various taxes.

While the need for regulation of the offshore sector will thus be minimized, it will not be dispensed with entirely. Paradoxically, if regulation is entirely lacking, there would be little incentive for banking and trust business to move from existing international financial centers. The best hope for Barbados in this field is to license only sound banks of international name and avoid the reputation that some other centers have unfortunately acquired in respect of loose practices and bank failures. Strict licensing and other safeguards on new entry are therefore contained in the draft law. It may be taken, Mr. Speaker, that there is no possibility of a renewed Alleyne Mercantile Bank finding its way into the banking community in Barbados. If properly implemented, a soundly based offshore sector may be expected to develop, and over a time, Barbados' reputation for conservative and trustworthy banking may serve to stand it in good stead against the competition of existing centers of lesser or possibly declining reputation, and the major gains to Barbados will be employment, income from various services purchased locally, licence fees and greater international exposure in financial centres.

One vital area which has hitherto been neglected is the upgrading of present schemes for *training within* industry. A recent World Bank Mission was asked by Government to assess the needs for a more effective programme in this area and the mission is currently studying the possibility of providing assistance through BIMAP to initiate an expanded scheme for the industrial sector particularly reaching the export oriented firms. Government has indicated its willingness to contribute whatever counterpart staff and funds may be required to get the project off the ground in the shortest possible time, and a proportion of the net proceeds of the Employment Levy will be earmarked for training purposes.

Next on the list are plans for increased import substitution, especially of foodstuffs. The limitation of import substitution as a development policy in a small open economy must be clearly recognised. Too often the scope for efficient domestic production has been exaggerated with concomitant disappointment when unrealistic hopes are unfulfilled. However, Government is convinced that in a number of areas — e.g. fresh vegetables, fish — not enough has been done in the past. The recent discovery of appreciable amounts of ground water for irrigation indicate the possibility of increased year round vegetable production. Steps are now being taken to formulate specific projects which will take advantage of these water reserves. In anticipation of the new investment, steps are also being taken to expand the facilities of the Marketing Corporation in the construction of the new storage and processing plant at Wildey. Encouragement will also be given in suitable areas for private ventures in the food processing field, especially where related to exports.

With respect to fisheries, the recent successful attempts by International Seafoods to catch and market fresh fish clearly indicate the tremendous potential of fish as a substitute for imported meats as a source of protein. Plans are in hand for the expansion of this programme, either through the diversification of International Seafoods Limited activities into trawl fishing or through the establishment of a new National Fisheries Corporation specializing in the catching and distribution of fresh fish.

Review of Public Finances for 1977/78

Mr. Speaker, my next topic will be the review of the public finances for 1977/78; but before I come to this review and come to the Budgetary Proposals for 1978/79 I would like to put a cart before the horse and refer to one very important aspect of the Budgetary process which tends to be ignored by those not directly affected by specific budgetary measures.

Implementation of 1977 Budget

This is the sometimes tedious, but always a vital stage of implementation and I should like to take this opportunity of expressing my satisfaction with the effective and generally expeditious way in which the very extensive and comprehensive proposals contained in the 1977 Budget were implemented. Many of the tax measures which were then introduced broke new ground and despite occasional legal and administrative difficulties and the absence of precedent, implementation schedules were met, with the majority of the proposals being placed on the statute book between May and October 1977.

I do not propose to delay proceedings here this afternoon with a lengthy recital of the details of the various enactments. I should however like to state for the record that in the 1977 Budget the new Government set certain important objectives and proposed certain important administrative and institutional reforms. I am happy to be able to confirm that nearly all of the objectives and reforms have either been entirely met or at least nearly approached. I propose only to mention some of the more important.

The fiscal package which I presented to Parliament last year was designed to raise approximately \$13 million (net) in additional revenue in a full fiscal year. Because of the necessity of legislating some of the new taxes, all the increases were not effective immediately after delivery of the Budget Speech. However, analysis carried out in the Revenue Division of my Ministry indicates that the additional yield from the items subject to increased tax rates had already approximated \$13 million in the period April – December, 1977. While some proportion of the increased tax take is attributable to autonomous growth of the tax base, the major proportion is attributable to the increased rates introduced in the Budget.

In the 1977 budgetary proposals aimed at increasing the mobilisation of domestic savings for productive investment, I announced an increase in National Insurance contributions and benefits effective from January 1st 1978. In 1977, the total contribution income of the National Insurance fund amounted to some \$18.4 million. The International Labour Organisation Actuary advising the Barbados Government has calculated on the basis of available and preliminary data that this increase effected on 1st January, 1978 could increase contributions income by between 35% and 40% – or some \$6 million. These additional savings will be available for the betterment of the economy. In addition during the year the requirement for local investment of 100% of the technical reserves of all insurance companies was brought into effect and it is estimated that this has led to date directly to an increase in the local investments of the insurance industry also of approximately \$6 million. This measure will ensure that as the savings generated

by the insurance industry increase, the Economy of Barbados will benefit proportionately. Also under this Head, the Barbados National Bank has duly been established and will be expanding its activities during the coming year.

The earlier analysis of the balance of payments and import data indicated that the rate of increase of imports of consumption goods had declined and this is reflected in the modest improvement in the balance of payments in the first quarter of 1978 over 1977. I think it is fair to conclude that this improvement which is still continuing is particularly attributable to the slower rate of growth of imports as a result of three of the 1977 Budgetary proposals – the restrictive credit policies introduced by the Central Bank, the increase in consumption taxes on a number of luxury goods and the more effective control of imports by the Import Licensing Review Committee.

I should like finally in this section to refer to some of the proposals relating to institutional reforms contained in the 1977 Budget. In particular, the National Economic Council has been set up and in its two full meetings to-date and through its sub-committees it has established beyond doubt that it will provide an extremely valuable forum for the exchange of information and the generation of new ideas which will redound to the benefit of us all. I should like to take this opportunity of thanking all those who have come from the University, the Chamber of Commerce and other employers' organisations and the Barbados Workers' Union for the extremely useful and valuable contributions which they have made to economic debate in the country. I should also like to report that Government duly purchased 300,000 shares in the Barbados Telephone Company. In the same vein and in pursuit of Government's policy of increasing local participation in public utilities, I as Minister of Finance and Planning have directed that \$1.5 million of National Insurance Funds should be invested in ordinary shares of the Barbados Light and Power Co. Ltd. I should emphasize here that this shareholding represents less than 1% of the investments of National Insurance Funds and in any event given the earnings and dividend record of the company represents a very sound investment indeed.

Mr. Speaker, I think it necessary to give members some indication of the progress with implementing the proposals in the last Budget Speech because I want to demonstrate that this is a Government of action and not merely of words, that its policies are clearly thought out and every effort is made to implement them in a timely fashion.

Revenue and Expenditure 1977–78

And now Mr. Speaker I come to the review of revenue and expenditure for 1977–78, First Revenue.

The total revenue of Government for the fiscal year 1977–78 was originally estimated at \$225.7 million. During the month of September, 1977 when the preliminary work for the 1978–79 Estimates was being done, the figure for expected revenue was revised upwards to \$248.0 million. This revision was based on receipts for the period April – August, 1977 which totalled \$91.2 million compared with \$78.3 million during the corresponding period 1976–77.

In October, 1977 when the first instalment of the Corporation Tax was due, an amount of only \$11.0 million was collected under that head and the total of collections to the end of October 1977 was \$13.4 million. Following the payment of this first instalment which was significantly below expectations, the Estimate of revenue was again revised downwards, with indications at the end of February, 1978 suggesting that the total revenue would have been approximately only \$232.9 million. The amount actually collected at 28th February, 1978 was \$207.5 million compared with \$192.3 million collected for the corresponding period in the previous financial year. This increase of \$15.3 million was an increase of only over 1976/77.

The second instalment of Corporation Tax was due in March, 1978 and although the final figures are not available yet, indications are that the amount collected will be in the vicinity of \$20.0 million. This clearly demonstrates that the portion paid in October, 1977 was not really 50%; perhaps also some companies were late in making their payments and their returns of PAYE collections. Subsequently, total collections in March were higher than anticipated, and this applies in other areas as well as that of Corporation Tax. Total revenue is now expected to be approximately \$252.0 million, representing an increase over 1976/77 of \$35.2 million or 16%. Preliminary analysis of the January – March figures suggests that over half the increase is the result of the budgetary measures introduced during the last financial year, whose impact was not fully felt until towards the close of the year.

Expenditure

Current Expenditure was originally estimated at \$276.3m. and Supplementaries during the financial year totalled \$5.0 million a total of \$281.3 million authorised to be spent. However, through various efforts to keep expenditure under control it is now estimated that total expenditure for the year was approximately \$271.4 million. This represents an increase of \$45.7m or 20% over the amount of \$225.7m for the fiscal year 1976–77. The deficit on Current Account is therefore now expected to be \$19.4m which, though smaller than originally anticipated, is still a record deficit.

Capital Expenditure was originally estimated at \$102.1m. and supplementary provisions amounted to \$6.6m during the year. Expenditure at 28th February, 1978 was \$66.5m and is estimated to be \$77.3m by the end of the fiscal year 1977–78. This represents an increase of \$16.9m or 28%, but it is only fair to point out, Mr. Speaker, that a substantial portion of this increase derived from the fact that accumulated losses of International Sea Foods Limited and also paid for Bath Plantation Limited out of the Capital vote and, indeed, this accounted for the greater proportion of the excess under this head.

Government Financing

Mr. Speaker, the expected current account deficit of \$19.4m. when added to Capital Expenditure of \$77.3m. gives an overall deficit of \$96.7m. instead of \$109.5m. as shown in the Draft Estimates.

During the first three quarters of the fiscal year the burden of financing Government's operations was borne by the Central Bank. However, during the last quarter the commercial Banks were fairly liquid. The result was that the Central Bank

sold most of the Government Securities which it held, and these were taken up by Commercial Banks. The Barbados Savings Bank also disinvested towards the end of the financial year in order to make way for the establishment of the National Bank.

Public Debt.

At 31st March, 1977 the Public Debt was \$271.2m of which \$219.1m was borrowed locally and \$52.1m from external sources. The provisional figure for the Public Debt at 31st March, 1978 is \$331.5m of which \$267.1m was borrowed locally and \$64.4m from external sources. I am not particularly worried by the net increase in external debt since it was due to the drawing down of funds for projects loans and to borrowing to finance external debt service for the fiscal year which amounted to \$3.0m. The figure for total debt is high, but for the first time in five years it appears to have declined from the amount recorded at the end of the previous calendar year, which was in this case \$334.2m in December, 1977.

Budgetary Policies and Proposals

First the policies. In an earlier Section, factors leading to the present imbalance of the public finances were analysed and the need to introduce immediate remedial measures to reduce the structural deficit as part of a package of policies aimed at achieving greater economic stability was emphasised. The Estimates of Expenditure and Revenue for 1978/79 show total public expenditure to be approximately \$382 million with current revenue of \$258m providing an overall estimated deficit on current and capital account for the fiscal year forthcoming of \$124 million. I have on many occasions in the recent past stressed that it is just not possible to contemplate restoring the Budget to balance by large scale increases in taxation. Current revenue in Barbados already approximates some 33% of Gross Domestic Product which, as has been noted by many international financial institutions, is an heroic tax effort for any country without a Defence Budget. I do not consider that there is much scope at present for increasing tax levels to the point where the overall deficit can be reduced to desired proportions without the most serious and counter-productive effects on incentives and investment. As I announced during the Debate on the Annual Appropriation Bill last month, the burden of the adjustment in the fiscal year 1978/79 must be achieved through a selective reduction in Government expenditure.

The classification of current expenditure indicates that because of the labour intensive nature of public services, the need to look after the vulnerable sections of our community – the old age pensioners, Mr. Speaker – and the need to meet debt charges on loans contracted previously, the scope for large scale reductions of current expenditure without affecting employment is limited. The policy of Government is, as far as practicable within the limits of its resources, to ensure that its present employees maintain their jobs. In fact it is because of this that Government has indicated to the Unions representing public employees its inability to meet their demands this year. Faced with an overall deficit of the magnitude indicated, increases in personal emoluments would inevitably have resulted in some retrenchment of public employees. I think you will agree that it is preferable in the interest of maintaining employment levels in the public service that wage demands be restrained this year while the corrective measures which have been introduced are afforded an opportunity to stabilise the economy.

Despite the apparent difficulty of effecting reductions in expenditure, I am convinced that there are areas of waste and inefficiency in the public service where significant amounts of tax payers' money can be saved and I propose to initiate action immediately to identify these areas. Many on-going programmes of Government appear in the Estimates every year, even though no evaluation of their cost effectiveness has been undertaken since they were initiated. I can think of areas in many of the Ministries and Departments where an approach known as zero-budgeting may effect appreciable savings. This approach would require the agencies concerned to justify not just incremental increases in expenditure but any expenditure at all, and there are at least two Ministries, Mr. Speaker, where a zero approach to the zero budgeting analysis is at present being undertaken and where areas of reduction have already been identified. Steps have already been initiated by the Ministry of Finance and Planning in consultation with all the Ministries and Departments to effect a reduction in overall public sector expenditure for the year 1978/79. In addition, I propose with outside help, if necessary, to set up a Task Force drawn from the Ministry of Finance and Planning, the Organization and Management Division of my Office and the Establishments Division to undertake as a matter of urgency in-depth investigations into other select areas of Governmental activity where the scope for expenditure reductions appear favourable.

The main thrust of Government's fiscal policy, therefore, is the progressive achievement of fiscal balance through selective reductions of the level of public expenditure combined with judicious foreign borrowing rather than by large increases of revenue through increased taxation. Such foreign borrowing will be contracted largely on favourable terms from international financial institutions of which Barbados is a member such as the IADB, CDB and World Bank. Additionally, it is proposed to raise a US \$10 million Euro-dollar loan to assist in financing the foreign exchange costs of those development projects not being financed by the international financial institutions. Barbados' credit rating abroad appears to be high and external debt charges continue to remain well within manageable proportions. While it is considered that commercial market borrowing to finance foreign exchange costs of development projects and productive investments like the flour mill and the extension to the Hilton Hotel is justified, I want to utter a word of warning at this point. It is not the policy of Government to mortgage the country's future resources to finance public consumption or the payment of wages and salaries in the public sector by any programme of foreign borrowing.

I should also like to stress that while Government considers that a reasonable proportion of domestically generated resources should be available to Government as loans to finance the public sector budget it is recognised that in a mixed economy it is necessary to ensure that the private sector which is the major generator to the tune of 80%, of income and employment has access to credit for productive purposes on reasonable terms. While, therefore, Government through the Central Bank will ensure that a reasonable proportion of the increase of commercial banks deposits are invested in Government paper and that some of the savings generated by Insurance Companies and the National Insurance Corporation are also invested in Treasury Bills and Government Debentures, Government will not "crowd out" the private sector but will ensure that resources are available, particularly to finance employment generating projects, such as we hope to see arrive as a result of the employment levy.

The Policy of the Government, therefore, is aimed at ensuring that, after the taxation measures which I will in a moment propose, the overall public sector deficit, current plus capital, in the fiscal year 1978/79 is held to \$100 million.

It is proposed that the deficit will be financed as follows:—

Project and Euro-dollar loans	\$46 million or 46%.
Domestic Banking System and Central Bank	\$39 million or 39%.
Loans from National Insurance Funds	\$15 million or 15%.

Budgetary Proposals

Mr. Speaker, I come now to the taxation measures themselves. Last year a general Revision of Revenue exercise was carried out to make sure that Indirect Taxation was keeping pace with the general rise in the Government's expenditure, and that charges for the services which the Government renders, maintains or organises were being priced realistically. The scope of the exercise was considerably larger than any revenue effort previously made in Barbados and in one or two major areas some room was left for further expansion. I may therefore tread upon some ground partly trodden on before, in the proposals I am now about to unfold.

Indirect Taxation

The CARICOM Treaty has had two very important effects on public financing in Barbados. By releasing all our regional imports from liability to pay duties it has had a depressant effect on customs revenue, and it has also limited the Government's freedom of taxation. Except for a few items with which I shall deal later, all imports into the island are now charged duty on the basis of Common External Tariff in force through CARICOM. Prior to August, 1973 when the Common External Tariff provisions of the Treaty came into force, the Minister of Finance could exercise his discretion quite freely in imposing import duties, but this can now be done only with the unanimous consent of the CARICOM Council. Indirect taxes, notwithstanding that they are described as regressive, generally have a number of beneficial applications for the revenue; the yield commences immediately on the imposition of the tax by the Minister of Finance and the power to vary rates gives a Minister of Finance a useful general economic regulator. In so far as import duties and other indirect taxes are alternatives to direct taxation they avoid harmful effects on work, savings and enterprise.

The removal of this financial regulator forces me to employ more and more the consumption tax device, which applies to goods produced regionally and locally as well as internationally.

I propose, as from tomorrow, that the consumption tax on the following items will be increased as follows:—

<i>Description</i>	<i>Tariff No.</i>	<i>Present Rate</i>	<i>New Rate</i>
Imitation jewellery	71.16	18%	25%
Wheeled toys etc.	97.01	10%	15%
Smoking pipes, cigar and cigarette holders etc.	98.11	20%	25%
Cigars and cheroots	24.02.1	\$4.00 per lb.	\$11.00 per kg. (\$4.99 per lb.)

The following new items will be charged to consumption tax as from tomorrow:

<i>Description</i>	<i>Tariff No.</i>	<i>Rate</i>
Handkerchiefs	61.05	10% of value
Shawls, scarves, mufflers, veils and the like	61.06	10% of value
Ties, bow ties & cravats	61.07	10% of value
Gloves etc.	61.10	10% of value
Gloves, etc. knitted or crotched, not elastic or rubberised	60.02	10% of value
Umbrellas, and sun shades	66.01	10% of value
Walking sticks	66.02	10% of value
Parts, accessories etc. of 66.01 and 66.02	66.03	10% of value

At present, chairs are the only articles of furniture which are charged to consumption tax. I therefore propose also from tomorrow, to charge the item Other furniture and parts thereof, whose tariff number is 94.03 to consumption tax at the same rate as chairs, namely 10%. Those carpets, mats and matting on tariff number 58.02 which are now exempt, unlike other carpets, will also be charged tax at 10%. I consider, however, that some concession should be given in the case of mattresses and other similar articles under tariff number 94.04 and I therefore propose that they will pay consumption tax, as from tomorrow, at the rate of only 5%.

These measures are expected to yield \$350,000 per year.

Import Duties

A moment ago I indicated that the import duties set out in the Common External Tariff of CARICOM had now been completely applied to Barbados except for a few items. These now number only ten or eleven, and we are bound by the Treaty to bring these into line by 1981. I do not propose to deal with the first two which relate to duties on flour and certain flour products, until the local flour mill is in operation. I propose, however, as from tomorrow to harmonise the other items in the Common External Tariff as follows, and, of course these duties apply only to goods originating outside CARICOM:

<i>Item</i>	<i>Tariff No.</i>	<i>Old Rate</i>	<i>New Rate</i> (CET rate)
Jams, marmalades etc.	20.05	35%	45%
Fruits otherwise prepared	20.06	40%	45%

There will be a substantial increase, Mr. Speaker, in the item known as Other fermented beverages under tariff No. 22.07. This embraces such things as cider, perry, mead, wines not made from grape and other alcoholic drinks which come into this Island to compete with locally produced beer, locally produced rum and drinks produced in other CARICOM territories. I can see no justification for continuing to charge them at the very low rate of \$1.66 per gallon, and I therefore propose to increase the rate on all these things to \$10 per gallon which is the CET. This will mean an increase in a certain commodity which I will not name but which in another sphere will go chug, chug, chug, by over \$1.00 a bottle.

Minor adjustments will have to be made with gin. Gin up to 80° proof from outside the region under tariff No. 22.09.7 at present charged \$45 per liquid gallon will go up to the CET rate of \$46.50 per liquid gallon. Gin of a stronger strength charged under tariff No. 22.09.8 which is at present \$51.66 per proof gallon will go up to \$54 per proof gallon. There has been some adjustment to produce round figures.

<i>Item</i>	<i>Tariff No.</i>	<i>Old Rate</i>	<i>New Rate</i> (CET rate)
Vinegar	22.10	25%	30%
Organic surface acting agents	34.02	25%	30%

The expected yield from these measures, Mr. Speaker, is \$470,000.

Mr. Speaker, before I deal with indirect taxation, I would like to deal, not with a tax, but with a concession.

Concessions to Agriculture

In 1976 the then Government obtained from the CARICOM Council a concession on import duties on fertilisers used in the agricultural sector, but this expired on April 30th, 1977. Representation was made to the Government on 30th December, 1977 by the Sugar Producers' Association for an extension of the concession. The Government considers that this request is fully justified and intends to pursue the question of this further relief with CARICOM as a matter of importance, but has been unable to do so in the absence of a Council meeting. It is hoped that in the near future agreement can be reached on this matter with CARICOM, but the Government will not hesitate to take alternative steps, if necessary, to assist the development of local agriculture, sugar and non-sugar alike by appropriate concessions.

The total yield from these measures as already indicated will total \$820,000 but it is impossible to calculate what the concession to agriculture will cost during the financial year, since the base rate is not known.

I turn now to a subject dear to the hearts of Barbadians and which I hear being referred to *sotto voce* on the benches opposite.

Excise Duty on rum

Unlike imported liquors, locally produced rum is not charged customs duties or consumption tax but is charged excise duty based on an old and in many ways out-of-date Act, the Rum Duty Act originally passed in 1906. This Act requires revision to bring it up-to-date and so in my view, do the present rates of Excise Duty. These were fixed at \$7.32 per proof gallon in the year 1962 in the first Budget of the Honourable Member for St. John, who I am glad to welcome back to the House when he raised the rate from \$3.90 where it had been since 1952. For 16 years now the excise duty on rum has remained static, despite inflation and despite all the troubles which have plagued the economy. At less than \$5.00 per 26-ounce bottle, rum remains a real bargain, and the yield from rum duty in 1977-78, estimated at \$3.5 million, is only \$300,000 more than in 1970-71, despite the huge increases in government expenditure since then. Consideration was given last year to raising the duty, but at that time it was decided to effect increases only on other spirituous liquors. The time has however come for rum, and I propose as from tomorrow to increase the duty, metricating it at the same time, from \$7.32 per proof gallon to \$2.45 per proof litre, or approximately \$9.27 per proof gallon.

The other taxation contribution made by rum to the revenue, which is contained in the fees paid for distillers' licences of 25 cents per gallon will not be increased this year but will be metricated at the rate of 6 cents per proof litre.

By an anomaly locally produced gin, vodka and other spirits pay both the excise duty and consumption tax. Pending general revision of the Act I propose to abolish excise duty on gin and vodka so as to make the local product fully competitive with gins and vodkas both from CARICOM and from outside the region.

The net effect of these measures is expected to be a yield of \$960,000.

And I might also indicate at this point that rum from the CARICOM region which is not taxed at all in Barbados — there is no kind of tax on Trinidad or Jamaican rum that comes into this Island — will in due course when the Rum Duty Act is revised, be expected to pay the same duty as locally produced rum. These are a number of anomalies which have been allowed to survive for many years with unfortunate impact both on the revenue and on local producers of spirit, and we hope that by the end of the year the taxation on all locally produced alcohol will be rationalised.

Highway Revenue

Counting the cost of construction and maintaining roads, bridges and drains, the provision of street lights, the services of the Traffic Branch of the Royal Barbados Police Force, the Inspectorate and relevant staff at the Ministry of Communications and Works, and of other ancillary services; it will cost the Government almost \$16 million in 1978/79 to support the infrastructure of surface transport which the Island enjoys. Traditional budgeting in many countries would demand that this sum be matched by road taxes paid for the licensing of vehicles and by the taxes on fuel used by those vehicles. The total yield of revenue in Barbados in 1977/78, however, from road taxes and taxes on gasoline and other motor spirits amounted to less than \$14½ million. Last year I started the process of improving revenue from these taxes. This year I propose to combine metrication of the charges with increases in certain rates of road tax which were then left untouched. There will also be other, smaller, increases consequent upon changing vehicle classifications and setting rates appropriate for metric measure.

The lowest rate of \$50.00, which was paid by half of all motor cars, was not altered in 1977. I now propose that, for the forthcoming tax year commencing June 1st, 1978, the lowest rate will be raised to \$75.00 and will be charged on motor cars weighing up to 950 kilograms. I propose that the other rates be as follows:

950	—	1150 kg.	\$100 per annum
1150	—	1350 kg.	\$150 per annum
1350	—	1550 kg.	\$300 per annum
Over 1550 kg.			\$500 per annum

I propose to continue the concession on owner-operated taxi-cabs, but at a slightly higher level. The present rates have been in force for more than five years and the revisions which I propose for the forthcoming year are as follows:

Up to 950 kilogram	\$60
950 — 1150 kg.	\$70
1150 — 1350 kg.	\$80
1350 — 1550 kg.	\$100
Over 1550 kg.	\$120

It will be noted that no alteration has been made in the top rate, and the licence fees will of course continue to be an expense allowable against income tax for taximen.

I propose new metricated rates for vans, omnibuses and commercial vehicles also from the forthcoming tax year as follows:

Not exceeding 2000 kg.	\$100
2000 — 3000	\$150
3000 — 5000	\$200
5000 — 7000	\$300
7000 — 10,000	\$500
10,000 — 13,000	\$800

There are a special group of large, heavy or tracked commercial vehicles operating under Special Licences for which rates were set as far back as 1967. The number of these vehicles has increased sharply during this period, with substantial concomitant wear and tear on our roads. The new proposed rates are as follows:

Not exceeding 19 metric tonnes	—	\$1,100
27 metric tonnes	—	\$1,400
40 metric tonnes	—	\$1,600
Over 40 metric tonnes	—	\$1,800

And I also propose to raise the special charge for a single movement on a highway to a fixed destination to \$300.

These increases in road taxes are expected to yield an amount of approximately \$1.5 million.

Petroleum Products

No less than \$26.5 million in value of partly refined petroleum was imported into Barbados in 1977, an increase of 24.3% over 1976. This was almost wholly the result of import price increases and applications have been made to the Government for adjustments to accommodate the increased cost to the refiner and dealers. A careful study has been made by the Ministry of External Trade and the Government is satisfied that a case exists for an increase in the prices of gasoline, diesel and kerosene. In the latter case particularly it has been observed that the retail price is now so low as to make it impossible for small shopkeepers to stock and sell it; this creates hardship in remote districts of the Island, where the need for kerosene is probably greatest. I do not intend to increase taxation on diesel fuel or on kerosene but the Government has authorised small increases in the prices of these products to take effect tomorrow. Kerosene will go to \$1.10 per gallon, with a special price of 15 cents per pint being allowed small shopkeepers. The reason why it is not metricated is that small shopkeepers do not have litre measures in their shops. They have pint pots, and, until the Government is in a position to satisfy itself that it will create no hardship to them, we will leave the kerosene measure in imperial quantities.

The case of gasoline is somewhat different. Barbados is a very small island, and distances to be travelled are much less than in the great overwhelming majority of countries. Higher prices for gasoline do not therefore weigh as heavily on the travelling public as they might in a country even the size of Jamaica, not to speak of countries in Europe or North America. At the same time our enormous import bill for partly refined petroleum — substantially our gasoline bill — is a heavy drain on our balance of payments. I consider that in this case the demands of the revenue and of energy conservation alike point in the direction of adding an increase in government tax to the adjustment required for increased import costs. At the same time the sale of gasoline will be metricated.

At present it is sold at what amounts to approximately 58.12 cents per litre. Dealers' margins will be raised by 1.88 cents per litre, and I propose that the taxes be raised by 4 cents per litre as from midnight tonight, so that the new retail price will be 64 cents per litre or \$2.42 per gallon.

This measure is expected to bring in \$1.9 million in a full year, making allowance for some fall in consumption.

Gaming Duties.

Among the factors which have arisen as a result of establishing a Betting and Gaming Committee to control the importation and licensing of gambling and amusement machines, and the licensing of premises where they can be used, is the pressure to establish what are known as "arcades" in areas of heavy population concentration. As Minister of Finance I have given the appropriate instructions to the Committee aimed at strictly limiting the spread of these arcades, which may be licensed for up to 15 machines, since the policy of the Government is to encourage the placement of machines in hotels and similar locations rather than premises where the main clientele will be local. It appears to me, however, that the arcades have become highly popular as places of resort and I accordingly intend to view them in much the same light as bookmakers' premises or betting shops. I therefore propose as from July 1st, 1978 to levy a fee of \$30,000 annually for each arcade, payable by the owner half-yearly on July 1st and January 1st in each year. For the purpose of this fee, an arcade is defined as any approved premise, other than an hotel, where more than two gambling machines are in operation. It is difficult to calculate the tax, Sir, because I do not know how many arcades will close down, but we expect additional revenue of at least \$240,000 under that head.

Hotel and Restaurant Sales Tax

Since the introduction of the Hotel and Restaurant (Sales Tax) Act in 1974 hotels have been defined as "any building or group of buildings within the same precincts, containing not less than 10 bedrooms for the accommodation of guests for reward."

This definition effectively exempted smaller guest houses with less than 10 rooms from the application of this Act. I do not think that this loophole can be justified, as such guest houses also cater to tourists who thus escape the sales tax. I therefore propose to close this gap and legislation to bring guest houses of less than 10 rooms under the ambit of the Hotel and Restaurant Sales Tax Act will shortly be brought before Parliament.

Direct Taxation

There will be no increases in direct taxation this year. Mr. Speaker, instead I propose to give relief in one or two areas. This will be, however, of a more limited character than I had hoped.

In the 1977 Budget, I indicated that a crash programme of analysis of taxpayers' returns would be carried out with a view to a general revision of the allowances and rates. I intended that any changes to be made would relate not only to anomalies that had developed but would also form a part of the overall incomes and prices policy under discussion in the National Economic Council and with the various Unions. As has been indicated, no consensus has emerged on the guidelines for such a policy, but the Government will be actively pursuing the matter in the months ahead. I do not, therefore, consider it possible to make any changes in the structure of personal income tax at this time. However, I propose to extend to the income year 1977, the tax credit of up to \$60 for all resident taxpayers with gross income of less than \$6,000 per year on the same terms as last year.

During the last session of Parliament a Resolution was passed in the other place (the Senate) calling on the Government to give consideration to allowing the wages paid to domestic employees and gardeners as an expense for income tax purposes. Government has fully investigated the implication of such a measure and, as was set out in a written reply given to that Chamber, the potential loss of revenue from introduction of such an allowance for domestic employees was considered unacceptably high. In addition, the administrative difficulties involved appeared formidable and the social desirability of such a measure in any case was questionable.

However, the Government has decided that the employment of gardeners should be encouraged. Not only will this provide gainful work but will assist in the improvement of the general environment of our Island. Accordingly, individuals employing bona fide gardeners will be entitled to claim, from income year 1978, an annual sum in respect of wages paid not exceeding \$500. To permit proper administration of the scheme, such gardeners must be registered with the Ministry of Labour and have full national insurance protection, before their wages can be allowed.

I estimate this will cost the Government \$120,000 and I consider it will be \$120,000 well spent if the number of gardeners in Barbados, which is estimated at only 600, is increased, hopefully doubled or more, as a result of the measure.

Insurance Allowance

Representations have been made by the insurance industry from time to time that the current allowance for insurance premiums is inadequate and should be raised. A comprehensive review of the allowances will have to await the restructuring of the tax system to which I made reference earlier. However, I do consider that there is a case for providing some degree of relief for working wives who have insurance policies. Accordingly, and with effect from income year 1978, working wives who opt for separate assessment will be able to claim as an allowance insurance premiums not exceeding \$1300 provided that this does not exceed 1/6 of assessable income. The

same provision applies to her husband and this measure cannot be costed at the present time as we believe its real benefit will come when working wives begin to take out insurance policies. We believe that it is a very considerable concession which will improve savings through the insurance industry and improve the condition of working wives in the country.

Arrears

Finally, under direct taxation, I want to say a word about tax arrears. The build-up of arrears during a period of recession is a familiar phenomenon. However, when arrears are allowed to assume sizeable proportions, their write-off becomes virtually inevitable, a course which both undermines tax morality and erodes government revenue. Any attempt to make good the arrears or evasion of existing taxes by introducing new taxes is almost certain to be counter-productive, since such a course is in its nature inequitable, and is likely to be regarded so by tax-payers. Moreover new taxes in no way correct the underlying enforcement problem. On the contrary, they are likely merely to aggravate the pressures on the tax administration. Accordingly, I am appealing to all those who know that they have not paid their income tax, their land tax and trade tax due before it was abolished, to do so at the earliest opportunity; at this stage I am not making any threats; I am making an appeal. The arrears in these 3 areas are very substantial – Income Tax \$6 million; Land Tax \$3 million; Trade Tax \$1 million a total of \$10 million.

I have given instructions to the Collector of Rates and Taxes that the system of selling land for tax arrears is to be revived, and it will start firstly with all unbuilt-on lots in prospective developments where tax arrears have not been paid, I also intend, Mr. Speaker, to deal very severely with the arrears of trade tax; in one case, an amount of \$94,000 owed by a former member of the Legislature of this island. I intend to be severe with arrears of taxes in all these areas.

NON-TAX REVENUE

Driving Licences

In pursuance of the general policy of improving highway revenue, I propose, with effect from 1st June, 1978 to increase the fee for driving licences from \$10.00 per year to \$15.00 per year.

However, I propose at the same time to introduce an option for drivers to pay three years licence fee in one payment of \$30.00, that is at the old rate. It may be noted that the last time driving licences were increased was in 1974. I expect the yield from this tax to be \$400,000 in 1978.

Self-employed Persons

Legislation embodying a new comprehensive system of registration of self-employed persons promised in last year's budget will soon be laid in Parliament.

The draft Bill which will be cited as the Profession, Trade and Business (Registration) Act, seeks to consolidate and codify fees payable by self-employed persons. It will also give the Government through the Registration process, an idea of available man-power skills in these areas.

The annual registration and payment of fees, effective in January of each year, will begin in 1979; some of the fees payable are those already in existence and in general the new fees will either be \$50 or \$10, depending on the occupations, trades or callings of the new enrollees. I should tell hon. members that the schedules of trade, occupations and callings will be very extensive indeed and are intended to deal with every class of self-employed person, or a person who works not for an employer. Whole time public officers will be exempted from payment of the registration fees.

Civil Aviation

I propose a general revision of fees payable for activities related to Civil Aviation, in the areas of Registration of Aircraft, Airworthiness, Technical Examinations, Aircraft Pilot, Aircraft Engineer and General approval of persons; Ground/flight crew licences; Validation of foreign licences, copies of document, marshalling of aircraft, and for publications issued by Civil Aviation. I consider that an increase in these fees is long overdue. It costs a negligible amount to register an aeroplane here compared with what it costs to register a motor car. Full details of these fees will be found in an Appendix.

I also propose to increase the rates of rental payable to the Civil Aviation Division for Office space at the airport. These increases are estimated to yield \$50,000.

Wireless and Telegraph Fees

I also propose a general revision of fees payable under the Wireless Telegraphy Act, and these are also set out in an Appendix. Among these fees, Mr. Speaker, will be found some revision of the fees charged to fishermen who go to sea and who are required to have wireless telegraphy equipment in their fishing boats. In the Appendix, an upper length of a fishing boat of 30 feet is given, in order to benefit from the concession on these fees, but the Hon. Deputy Prime Minister and the Hon. Minister of Agriculture have made representations to me that fishing boats are getting bigger these days and there should be some increase in length, and it is therefore intended to reconsider the length of vessel if the concessionary fees will be payable, and hon. members should not take the size given in the appendix as final.

Next, Mr. Speaker, I wish to deal with the area of insurance, and with a partially-related proposal.

Insurance

All companies transacting life insurance in Barbados were required from income year 1977, to pay a premium income tax at the rate of 1½% of premium income in the case of resident and/Caricom-controlled companies, and 3% in the case of foreign companies. The question of extending this concept to taxing premium income to General Insurance business has been advocated. In some countries such a tax on property insurance premiums takes the form of what is known as a 'Fire Brigade' charge. However, I have been advised that for the sake of simplicity and ease of implementation, the term premium tax should be used and it should be applied to all classes of general insurance business. Accordingly, I propose with effect from income year 1978, a premium income tax chargeable on all companies transacting general insurance business in Barbados. Tax will be charged at two rates. For premium income derived from property insurance which is principally fire insurance, the rate shall be 3% of premium income on resident insurers and 6% on all non-resident insurers. For premium income derived from all other general insurance business, the rate shall be 1½% of premium income on resident insurers and 3% on non-resident insurers. Estimated revenue from this new measure is put at \$352,000.

The present system of taxing Associations of Underwriters such as Lloyds is to deem the taxable income as 10% of premium income and apply the current corporation tax rate on it. At present this works out as a 4.5% tax on premium. For income year, 1978 I propose to increase the taxable income rate on such Associations from 10% to 15%. This is estimated to produce the equivalent of a 6.75% tax on the premium. I estimate an increase in revenue of \$20,000 per annum from this measure.

Mr. Speaker, I indicated earlier that measures introduced in last year's Budget requiring insurers to invest 100% of their technical reserves in Barbados had led to an increase in local investment of some \$6 million. This requirement carries with it a responsibility on the part of Government to create appropriate instruments in which the insurance companies can invest. I am fully conscious, in this context, that such instruments must bear yields which compare favourably with alternative forms of investment.

Accordingly, I propose that the Barbados Mortgage Finance Company, which is shortly to become a wholly-owned subsidiary of the Barbados National Bank will issue Housing Development Bonds on the local market as a means of raising the funds required for a greatly expanded housing programme. These bonds, which will be similar to the National Development Bonds, will be fully guaranteed by the Barbados Government, will bear a competitive rate of interest and up to a stated limit interest paid will be tax free in the hands of the bond-holder. Not only will the sale of the bonds provide an attractive new investment for local insurers and other institutions and individuals looking for investment opportunities, but the expanded housing programme which the proceeds of the bond sales will finance will assist in meeting the basic human need for shelter and will create new jobs for skilled and semi-skilled labour.

Increase in National Insurance Weekly Benefits

Finally, Mr. Speaker, there are three types of pensioners provided for under the National Insurance Scheme, namely old age pensioners, invalidity pensioners and

survivor pensioners. The computation of old age pensions and invalidity pensions is made on the same basis and both sets of pension are currently subject to a minimum rate of \$16 per week. It is my view that this minimum pension should be adjusted to allow for increases in wage levels since 1975.

Accordingly, I propose that with effect from the first pay week in April 1978, they will get some back-pay. Mr. Speaker, the minimum rate of old age and invalidity pension payable under the National Insurance Scheme will be increased from \$16.00 per week to \$20.00 per week.

That concludes the Budgetary proposals, Mr. Speaker, and the increase in current revenue, which it is anticipated will result from these measures is in the region of \$6.5 million in a full fiscal year. The concessions I have granted are estimated to cost approximately \$1.9 million, including the continued tax credit, so that the net increase in revenue should be approximately \$4.6 million. Full details of the proposals and their yields are summarised in an Appendix.

Mr. Speaker, 1977 was an unsettled year in Barbados. Reasonable economic growth has not been matched by similar improvement in two areas of weakness which all commentators on the country's economy, external and internal, have identified, namely the balance of payments and Government's own finances. However, the performance of the economy so far in 1978 gives some hope that, while we have not yet turned the corner, given restraint and continued careful management, we can at least see the corner ahead. The Government is setting itself certain management targets to contain public expenditure and arrest the widening of the overall deficit; to maintain the foreign reserves without recourse to external balance of payments support; to reduce unemployment among men to single digit proportions, and to reverse the trend by reducing unemployment among women also; to continue to contain inflation in single digits; and to record another year of general increase in economic growth. I know, Mr. Speaker, that we live in a day and age when unwarranted and unfair criticism cannot always be subdued by giving the facts or telling the truth. But we will continue to give the facts and continue to pursue open government and continue to say what we know is right and continue to do what we know is necessary and continue to govern this country in the best interests of all its citizens.

Mr. Speaker, before I take my seat, I beg to give notice of the following Resolution, which has already been handed in as provided for in the Standing Orders:

"BE IT RESOLVED that this House takes note of the encouraging growth made by the economy during the year 1977, of the improvement in the balance of payments position, and of the efforts being made by the Government to restore public finances to a better balance, to contain inflation and reduce unemployment;

AND BE IT FURTHER RESOLVED that this House approves the Financial Statement and Budgetary Proposals delivered on April 12, 1978."

I beg to move that Resolution.

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to second the Resolution, and as indicated earlier I will reserve my right to reply until after the members of the other side, whether the speech is from the Leader of the Opposition or his nominee, but I reserve the right to speak after they have replied.

Mr. Speaker, this concludes the business for today and I now beg to move that this Sitting be suspended until 12 o'clock noon tomorrow.

The question that the Sitting be suspended until 12 o'clock Noon 13th April, 1978, was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the Sitting accordingly.

8.15 p.m.

On the resumption:

Mr. SPEAKER: This sitting is now resumed.

Rt. Hon. E. W. BARROW: Mr. Speaker, yesterday seems a short time away. The Opposition intimated earlier, because of the confusion which was disseminated on the occasion of the Budget Speech last year, a speech which to a very large extent was an exercise in self adulation and a recital of matters which are normally presented in a survey of the economy — because of that situation, the Opposition made it abundantly clear, it has indicated in no uncertain manner that the Opposition would be quite willing to reply at any time to show its capability, its readiness and eagerness to show the state of the economy of this country in its true perspective. That that challenge was not accepted demonstrates clearly that all of the remarks which were promulgated just 12 months ago about the failure of the Opposition to reply were completely misdirected and insincere. This is particularly so on the part of the media of Barbados.

As I said on that occasion, as a former Minister who had himself introduced the feature of Budgets instead of presenting at the time of the Estimates a cursory statement on what the Government intended to do about taxation, that a Minister who had himself introduced the whole frame work of budgeting in this island, should be the last person to be accused of not being able to reply to someone who in ecclesiastical terms, would certainly not be described as a proselyte; but certainly not as a novice at the gate indulging in his first excursion and his flights of fancy in such a serious matter as the island's financial situation.

I want to say what I said at the time when the presentation of the Estimates some three weeks ago in this Chamber. There is no special virtue in coming to the House with a Budget before the Public Officers and the Minister himself have had an opportunity to collate

the necessary information upon which he can base his proposals; but the Hon. Minister of Finance thinks that there is some special virtue in coming in a place like Barbados where up to now, well at least up to yesterday, he admitted that he did not have the out turn figures in so far as revenue and expenditure are concerned for the financial year 1977–1978. Then that is all the more reason that in the light of the inadequacies which are patent in our Statistical Service in Barbados, particularly due to a lack of staff, secondly due to a lack of training and from the inability on the part of any Government to retain really competent people in the Statistical Service, and thirdly, and probably the most important, due to the failure of the persons who are entrusted by provisions of the Financial Administration and Audit Act and the rules made there under from 1964 until amended subsequently from 1970 onwards — the failure of those persons within the time stipulated by the law to reconcile Government accounts and to make sure that national accounting is kept up to date, a failure for which we have always maintained that there can be no excuse in view of the system of accounting which we have in Government of both the pre-audit and post-audit system, that from day to day these same officers should be in a position to present as required by law to the Accountant General and to the Ministry the information which is so necessary.

In so far as our Emigration Service is concerned, persons who travel today travel mostly by air through our international airport and are called upon to fill our forms explaining where they are going and where they have resided and so on, and the dates of issue of their passports and matters of that kind. We have been trying desperately to have these migration figures processed. They are collected by the Royal Barbados Police Force. They are supposed to be sent to the Statistical Department; and the Ministry of Tourism has for a long time been complaining that these statistics are not always available so that an intelligent assessment can be made of the comings and goings of both visitors and citizens alike. I say this not as a criticism of the Public Service as such, but it is slightly critical.

I am glad that the Minister now feels that he has been able to inspire a greater sense of urgency; but as I shall demonstrate very shortly, the product of his inspiring a sense of urgency has produced a farrago of garbled, misleading and inaccurate information in the Economic Report which was presented to the House earlier this week. I shall clearly demonstrate that. It was a farrago of misleading and inaccurate information which in different circumstances would be laughable, but in these circumstances I can only say is sad; and all of this because of the predilection of the Minister of Finance for saying that he is presenting an early Budget, and that he has inspired persons in the Ministry of

Finance to produce an economic report within record time.
12.10 p.m.

Now all other things being equal — and by the word 'other things' I mean this: Let us take it that the members of the Public Service in Barbados were (a) highly motivated, (b) highly efficient, and (c) had the intention of doing what in the United Kingdom could certainly be done by the first week in April. I am saying in the circumstances that in Barbados it is impossible — as was demonstrated yesterday — for any Minister of Finance to come here and give an accurate picture of the state of the economy on which he could base proposals which more often than not impose additional taxation on the people of this country. Between the 21st March, 1978 and the 12th April — round about that time — within a short three weeks the Minister of Finance changed his figures for revenue by no less than \$14 million although that change itself is not predicted by a presentation of actual out turn figures of revenue during the financial year 1977-78. On the occasion of the introduction of the annual Estimates for revenue and expenditure, the draft Estimates disclosed a figure which he said yesterday was \$238 million. Inferentially, the deficit on current account of \$40 million which appeared in the draft Estimates for that year has therefore been substantially reduced by a figure of \$14 million to the sum of \$26 million. But we have not got the out turn figures or any audited statements from the Accountant General up to the time that the Minister sat down after delivering his Budgetary Proposals.

On the first occasion, Mr. Speaker, the Minister went into an excursion of demonstrating that he could read a Financial Report. This performance was repeated yesterday when he commenced at approximately 5.45 p.m., and spent the next forty minutes reading almost verbatim what was already contained in the Financial Report, which is the document I have in my hand here. And the hon. Leader of the Opposition and I followed him page by page and wondered whether he could not spare us the tedium and boredom of having to listen to him read the Economic Report which is contained in the four corners of his Financial Statement and Budgetary Proposals. He could have spared us that tedium and could have done what I did in 1976 — against which he complains — and presented the Financial Statement for members to read themselves, and the Budget before it was delivered — immediately before insofar as the Budget is concerned — but at least every member of the House as far as I can remember had a copy of the Budget and we went straight into the Budget. The quarrel which was then levelled at the Government at that time prior to 1976 was that the Minister of Finance — being your humble servant — had the opportunity of having an audience and speaking for

approximately one hour to an audience at prime time television and that the Opposition was denied the facility by having to come back the next day to speak. So on that occasion, 1976, we gave the hon. member who was then Leader of the Opposition two options — the option of replying immediately after I had sat down, or of replying next day at the same time live. But as I reminded the hon. member on that occasion of a little story about a Battle of Britain pilot who informed His Majesty King George VI that he had shot down more than one Cocker wolf and was told by His Majesty that he may have shot down two Cocker wolves but would get only one medal; in other words, what I told the hon. member at that time was that he could speak twice and there was nothing in the Rules to prevent him from doing so; he could speak immediately after the Budget and could come back and speak the next day but he could only appear on television once for the same amount of time which had been allocated to me as Minister of Finance. What I did on that occasion was to present Economic Report and then went straight into the Budget after a few introductory remarks. The three hours and twenty minutes or so to which we were treated last year consisted mainly of a Philippic or harangue against the former Government. Now it is true that in contradistinction to his previous performance as Leader of the Opposition when he did not speak about the Budget at all, he did eventually get around to giving us the grand design — according to him — by which the whole economic atmosphere of Barbados would become transfigured.

Now I want to say this about the British Parliamentary System. It is a system in which most of us who have had legal training have been indoctrinated and brain-washed. But one of the unfortunate things about the British Parliamentary system, and especially those people who cannot sit and analyse the parts of the system which are useful and relevant to our own situation, is that it has created among the developing countries which were formerly colonial dependencies, two things: (1) a deeply rooted inferiority complex in most of our people, and (2) it has produced at the Parliamentary level and the political level the very unsavoury feature of the adversary system which means that a country must necessarily be divided as adversaries.

Now I do not want anything I may state here to be taken as an advocacy of a one-party state.
12.20 p.m.

Now I do not want anything that I may say here today to be taken as any advocacy for a one party state as the Opposition is fond of saying. I do not know anything about a one party state. I am quite satisfied with parliamentary democracy; I am not satisfied with the participants in parliamentary democracy. Like the majority of people in this country

I am not satisfied with the behaviour in parliamentary democracy, but we have this unfortunate adversary system in which people feel that in order to vindicate their own position they have to spend all of their political life trying to destroy the people who do not share, I will not say their political views because it is very hard to know what political views there are on the other side, but who do not share membership in the same political organisation as themselves. The whole approach of the Hon. Minister of Finance in all his speeches is that the Democratic Labour Party did not know what it was doing. He knows. He is the great I Am; he is full of self-adulation. The D.L.P. mismanaged the economy. Of course it is true that we had a fuel crisis in 1973-74 but that had nothing to do with the inflation or it only accounted for, according to what he said yesterday, 50% of the inflation, and the rest of the inflation was something which was encouraged by the then Government; and the situation in 1977 was nearly as bad as in 1975. The hon. member is great or should be great at obstacle races because he can jump over 1976 or 1972 or any of the years which shows that corrective action was taken to rectify certain imbalances in the economic situation in this country, and then say we have to go back to 1975, do not let us take any account of 1976. Why? Why doesn't he want to take account of 1976? I would have thought that a person who is putting forward and trying to brainwash the people of this country with the idea that when they took office in September, the date which to them is the beginning of creation, 1976, would be able to demonstrate that in 1976, according to what the hon. member has said from time to time to those who are unthinking, the situation was very bad in Barbados, and it has been brought to this sorry state of affairs by what he chooses to describe as mismanagement. In other words, the people over here and who were on that side before pound for pound and man for man being exposed to the same academic disciplines, the same professions and so on as they are, just by mere membership of an organisation which is a heterogeneous collection of self-seeking ambitious people, that that organisation.....

Mr. SPEAKER: I wonder if the hon. member is referring to members on this side of the House.

Rt. Hon. E. W. BARROW: I am talking about organisation. It is a different matter altogether. I am an organisation man. The organisation being a heterogeneous collection of office seekers is automatically imbued with all the wisdom which has been denied the rest of mankind, imbued with wisdom which has been denied the rest of us poor benighted souls in Barbados for all these years; a party and an organisation on my side which brought this country from a state of colonial servitude to independence in the teeth of their opposition to our independence in

which the gross domestic product had reached the stage where the hon. member now describes the economy of Barbados as amongst the most affluent of the developing countries. The hon. member is now aware that the World Bank, according to what he said or admitted during the presentation of the Annual Estimates, regards Barbados as a country which does not qualify for certain facilities under the IDA and their soft windows for loans and so on because we are above the level of those countries in per capita income which would qualify for these loans. I have complained about that not here on the floor of the House but in Washington before 3,000 delegates as far back as 1972-73, not speaking for Barbados alone, but demonstrating that the countries which had not gone cap in hand begging for assistance and had literally pulled themselves up by their own bootstraps were now being denied international assistance, and to use the words of the poet we found these international agencies shutting the gates of mercy on mankind. So we had to develop our economy with the assistance of some friendly countries such as Canada with absolutely no assistance from the United States at all, with very little assistance, residual marginal assistance from the United Kingdom, and take our chance in the world market when we needed loans for capital development alongside all the other competing countries and industrial and commercial interests which would be seeking loans on the world financial market at the same time. But according to the hon. member we have done nothing. We never at any time went to the International Monetary Fund to draw down on our special drawing rights. We never in other words used any compensatory financing and these special drawing rights would have constituted part of our international reserves. The hon. member said we have done nothing.

During the presentation of the Estimates, Mr. Speaker, I went through year by year for ten years demonstrating how the public sector, that is the Government finance, had made contributions by savings despite the demands which were made on the public treasury from time to time by the members of the public service for salary increases. I have never said at any time that they are not entitled to any increases. I will quote from the hon. member yesterday and from the hon. member year before, Mr. Speaker, to show what was said then and what is being said now.

If I were going to write a book on the hon. member, I would not put in a single opinion of my own. I would call it, using his surname which I am not allowed by the rules of debate, "The P.M. by himself." I would use his own words on the left hand page and his own words on the right hand page, make no comment and just put "Edited by your humble servant" and it would make most fascinating reading. One has to

wonder if there is any continuity or if there is continuity in the thought processes of the hon. member where there is not embodied with this continuity a large element of cynicism in not caring that there are inconsistencies even in the speech which was made yesterday on the floor of this House.

12.30 p.m.

Now, Mr. Speaker, the hon. member as I said dealt in the first part of his speech with the economic survey, or the economic report which had been tabled or delivered to members — mine was not tabled — a few days earlier here in the House; it was tabled. And word for word if you compare it, as you have probably done, you will see that he merely repeated what was in the report as it is called on this occasion. The hon. member did not quote the tables. I'm glad that he spared us that and at least conceded that some of us have the ability to read and understand what we are reading, but in order to demonstrate some of the inconsistencies and the haste with which this document has been prepared, Sir, I should like to draw your attention to certain things which I should like the hon. member to explain to the House when he gets an opportunity.

I quote from page 11 of the report, and this is how it reads: "It is difficult to make a categorical statement about the average level of employment in 1977. The table below which summarises data obtained from the continuous household sample survey conducted by the Department of Statistical Services has been prepared to facilitate an analysis of trends in the adult population, the labour force, the employed and unemployed over the periods January to June, July to December 1976 and 1977." Now remember, Sir, that throughout these are the figures on which the hon. member is relying to demonstrate that employment in Barbados in his regime was higher than it was at any time during the previous regime, the previous 15 years, and on one occasion the hon. member even went to the extreme of saying that employment in 1961 in Barbados in the face of the fantastic increase in the public sector alone, as you know, Sir, probably by over 50 or 60%, that employment was higher in 1961 than it was in 1976.

But let us leave that aside, that is only one of the statements as I say the hon. member makes in order to build up his own self-esteem, and if he has such a complex that he feels that his self-esteem must be built up, we would be the last people to let him feel that he should continue to suffer from a sense of inferiority for the rest of his life, and if he preened himself and built up his own self-esteem, that's all right with us, but the people outside who have not got jobs are not so infatuated as the hon. member is with his statements about employment in this country, and I will demonstrate it right now.

It should be noted — on page 11, Sir — that the sample on which this data has been derived constitutes little more than 1% of the total number of private households in the island, and therefore extrapolation of the characteristics of the total population must be carried out with caution. But did the hon. member carry it out with caution here? Oh, no, Sir, he said there was a slight improvement based on the sample — less than 1% of the households — household survey, and I emphasise the words "household survey". Now, Mr. Speaker, if you are doing a household survey would you in your right senses of which you are in possession all the time go to a hotel in Barbados to carry out a sample survey amongst the guests of that hotel about the level of employment A or B, the resident permanent population of Barbados on that particular day? The answer is obvious, I can see by the look of amusement.

Mr. SPEAKER: No, I really don't want you to draw me into any question of being in possession of your senses all the time, and when it comes to you and me I don't want to be drawn into that at all.

Rt. Hon. E. W. BARROW: Yes, Sir. I regret that I suggested that Your Honour was in possession all the time, Sir, none of us is in possession all the time. It reminds me, Mr. Speaker, of one occasion on which I was in a court of law and I made a certain proposition, and the gentleman who was presiding asked me where did I get that legal principle from, and I said it was an eminent jurist writing on evidence rejoicing in the same way as Your Lordship, and the gentleman, I think whom you well know, Sir, told me that there was no need for me to be offensive and I apologised and I said that I had no intention of comparing the eminent jurist with His Lordship.

Mr. SPEAKER: Let us get on.

Rt. Hon. E. W. BARROW: In this, Mr. Speaker, based on a 1% this is the gravamen of the attack now against the former Government, that the people who were supposed to prepare the groundwork for the creation of 3,000 jobs immediately tell us yesterday that there was a slight improvement in the unemployment of .01%, from 15.7 in 1976 to 15.6 — this is the unemployment level — in 1977. Now the fallacy of that is that we know in the normal course of events that due to the natural population increase, and more people coming out of school every year, unless there has been net migration out of the country, that the number of persons in the labour force would normally increase from one year to the other, and the only factor which would bring about a decrease in the labour force short of an epidemic or a matter of that kind, in other words, an unusually high death rate amongst the people of working age who are willing to work, would be a large scale migration out of the country. But if we

look at page 16 dealing with the population of Barbados, we notice some very interesting things from which you can draw your own conclusions. "In 1976 migration," that is, into the country, "was 3,200." The rate of natural increase, that is, if we take the birth rate, arrivals, and subtract from that the number of persons who died during the same time period, that is, the twelve calendar months of that or any particular year, we will find that the rate of natural increase in Barbados has been dropping due to a decline in the birth rate and a more or less stable situation in so far as the death rate is concerned.

12.40 p.m.

Whereas in 1970 two thousand one hundred persons are alleged to have died, four years later it was still 2,100, and three years after that, in 1977 it was still 2,100. But the birth rate had fallen from 4,900, crept to 5,300 in 1972 and then fallen back to 4,300 in 1977. Be that as it may, that is not the point I am making, because the natural increase has declined, but we have this remarkable feature now about this report that whereas in 1972 we had lost 5,300 persons over and above those coming into the Island to live permanently, we have gained 2,100 in 1973, it crept up according to them to 3,900 in 1974 dropped back to 1,100 in 1975, crept back up to 3,200 — according to the hon. member 3,200 persons more came in and most of these have got to be adult male and adult female — they cannot be a lot of little children — so that you have to add the people coming into the country to the people born in that year, and in 1976 you had a figure of 5,500 more persons living in Barbados than in the year before, according to them; and at least 3,200 of these must be persons of working age who had come to jobs or had come back home because they had a promise of jobs, according to them. But what happened in 1977? The population suddenly jumped from 258,500 in 1976 to 270,000 in the space of twelve months, and of that increase of 11,500, according to them, — which had never happened before — it was minus 2,000 in 1972, and the year before according to the figures presented here it should have been 5,500 — but in one single year 11,500 more persons appeared in Barbados, only 2,300 of whom were born in this Island. Therefore the number of persons coming into the country either to take away jobs from Barbadians — I do not know if these are all the Asiatic wives whom the Minister of Legal Services and Immigration has allowed to come in — but 11,500 of whom only 2,300 were alleged to be born in the Island during the same period. And what is the explanation? The net migration therefore which inflates the population from 258,000 in 1976 to 270,000 in the space of twelve months — 12,000 persons what is the explanation given. In all probability these figures have been based on a sample household survey. I say that there is a more accurate way of dealing with population statistics. You have a

Registrar of births and deaths and you have a Police Immigration Department, and every single person leaving this Island for a multiplicity of reasons cannot escape filling out an Immigration card because they have to pay a departure tax when they leave the Island, and when they come in they have to state whether they are residents of the Island or not; so that is where you will have your reliable statistics. But listen to the explanation given by the almighty genius — and I don't say that in any disparaging sense — that is how he regards himself. First the explanation given in the same Report about a sample household survey: The figures of net increase include visitors and therefore reflect patterns of tourist movements as well as migration movements of the resident population. I have never heard anything as nonsensical as that in my life. I am sorry, Sir, that I have to use expressions like that in this debate, but I am very serious; because the gravamen of the attack against the former Government was that we did not take care of unemployment; that we had 22% or 26% unemployed; and they are now producing figures to show how much they have done during the same period and, *mirabile dictu* — I do not have to translate for Your Honour, knowing the Latin scholar that you are — but marvelous to say, a population of 11,500 overnight as it were — let us eliminate 2,300 babies under two years of age because they have not become part of the labour force yet — the hon. member has found work for all these people and reduced unemployment in addition to the three or four thousand normally leaving school every year. So it is not only 3,000 jobs he has found but 1,300 jobs he has found.

But let us look back at what is happening. Here you have people in a Government department who are supposed to be carrying out a household survey, but instead of a household survey they are on the beach at Hilton Hotel, Accra Beach and probably Miramar, counting the visitors as part of a population of working age. That is the only conclusion I can come to, because a household survey cannot include people living in hotels. It has never been done in any part of the world and it is absolutely ridiculous for hon. members to come in here with a report like this saying there is a household survey. What were they doing in the hotels counting the people there and saying they are the population of Barbados? The population of Barbados cannot include the 169,000 tourists who they claim came here last year, because then our real population would be closer to 560,000 or 570,000 people; and if you are going to include tourists for any one day, if you go at the height of the tourist season you will get a different figure from what you would get in the last week of January or in the middle of August when the figures are not as high. What I am trying to point out is that there is no special virtue in coming in here and saying that you got the Civil Servants to produce an economic report within two weeks of the end of the

financial year but which was not critical before it went to the Printers. And if you look at page 13 you will get some other amazing discrepancies. In all, the total number of adults in the Island is shown as being 170,000 in the period July to December, 1977. Now this is not the labour force; the labour force is shown as 105,000. In 1976, the previous year, the labour force was shown as 107,000.

12.50 p.m.

The hon. member says that unemployment declined between 1976 and 1977. According to the report which he presented, the labour force declined. Therefore if you are using the percentage or percentage terms to demonstrate changes in the employment and unemployment levels, you have got to show the absolutes as well or relate them to the figures that you are producing. We would have been a lot happier to be told that there were 15,000 or 16,000 people employed in a certain year, and that between the Labour Department, now industrial development and so on so many new jobs had been found, so many at this firm and so many at that firm, that a certain number of people had come into the labour force by virtue of having done the primary and secondary education streams and that there were so many people who were migrants which did not include those because we are under no obligation to provide jobs for them and therefore there had been an overall change.

On the same page we had another marvellous bit of arithmetic. In 1976, the period of which we are dealing and the similar period for 1977 we were told that the labour force embodied 107,200 people of whom 90,000 were employed and 16,700 unemployed. Now, of the adults not in the labour force, that is adding the labour force or subtracting the labour force from the total number of adults, by simple arithmetic we arrive at a labour force of 65,000 persons. These would be old age pensioners, retired persons and people of that sort. We have kept house, 22,000; at school, 11.3 thousand; retired, 17,000; incapacitated, 5,600. That would mean people in hospitals and that kind of thing, quite apart from the physical handicapped.

We were told that in 1976 there were 3,800 people who were voluntarily idle in Barbados. These are figures which are produced there; but under the grand design initiated, instituted and established by the prodigy, the self proclaimed prodigy, the Minister of Finance in his Budgetary Proposals in 1977, whereas in 1976 before this grand design there were 3,800 people who were voluntarily idle and therefore did not constitute part of the labour force. That is the point that I am making. We are told on the same page, Page 13 of the Economic Report that the voluntarily idle people in Barbados increased from 3,800 to 7,200, and all of a sudden they can become voluntarily idle. Now this is an amazing figure, Sir.

Far from finding jobs — and there has only been a .01% change in the level of employment if you have taken out of the labour force by some legerdemain, by some magical formula — I do not want to say sleight of hand. It is not an offensive term but the hon. member might object, and legerdemain sounds more edifying — by some magical formula you have suddenly discovered that 3,400 more people in Barbados who are of working age, who are not incapacitated and who are fit and able to work. You have discovered all of a sudden that they are unwilling to work because they are voluntarily idle. Between 1976 and 1977 there are 7,200 people who do not want work. So you do not have to worry about finding jobs for them. These are the 3,000 additional jobs that the Government has found for the people of Barbados by designating them as unwilling to work. This transfiguration has over come the able-bodied. They are not incapacitated, they are not kept house. They have become voluntarily idle although they are of working age.

Now, what credence can we give to a hastily contrived report which glosses over the economic realities which are confronting, not the people for whom they are going to allow to take out insurance policies of \$65,000, because if you are going to allow \$1,300 deduction on your income tax therefore you must be taking out a policy in the vicinity of \$65,000; but the people who before were looking for work got so tired between December 1976 and the 1st July 1977, that they decided to go on strike against working and join the industrial reserve army of the voluntarily idle of the unemployed.

Hon. H. deB. FORDE: I did not want to interrupt the hon. member; but if he is reading the statistics on Page 15, surely he should read them correctly. The hon. member ought to be aware that since 1977 the category of "kept house" is no longer included in a separate category, and therefore it goes into another category. He just is not interpreting his statistics. It is not then fair to criticise people and to say that the statistics are legerdemain or sleight of hand. He must first understand his categories and not mix them up.

Mr. CHAIRMAN: Point taken.

Rt. Hon. E. W. BARROW: On Page 13 we have the figure for 1977 of 20,300 people. That is only male where there were in 1976 2% or 1,400 persons in the category "kept house". In 1977 the figure for females is 20,300 and there is nothing to say that the people who are under the "kept house" designation in 1976 have now joined the ranks of those who are voluntarily idle, because the designation "kept house" is still there and there are still 20,300 females who are "kept house" in 1977.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker.....

Rt. Hon. E. W. BARROW: I would be glad if we did not have these interruptions. I did not interrupt the Hon. Minister of Finance. Why is he getting so riled?

Rt. Hon. J. M. G. M. ADAMS: I regret as much as anyone else having to interrupt. I have refrained from interrupting; but the hon. member is reading from a document in such a way as to misrepresent its content. He is dealing with a category not in the labour force which has changed by only 100 over the two periods from 65,200 to 65,300.

1 p.m.

He is trying to tell the House that the Minister of Finance or somebody on this side is guilty of a *leger de main* which he says is the same as sleight of hand but just different, and which in my submission is unparliamentary, and the burden of this is that I am taking people out of the labour force and putting them into the category of persons not in the labour force in order to mislead the House, and that is a very serious reflection on my motives, because the document from which.....

Rt. Hon. E. W. BARROW: Mr. Speaker, the hon. member simply does not understand. Is he going to interrupt me all the time? I am reading from his report, and his report shows that in 1976 the voluntary idle, these are direct figures, were 3,800 or 2% of those not in the labour force, and that in 1977 in the same period there were 7,200 voluntary idle persons. Now if the hon. member looks carefully at the various figures he will see that the retired persons went up, but persons have died as well; but there are 7,200 persons according to him voluntary idle, and all I am asking is whether that is the way in which they take care of unemployment in this country. I was saying the opposite from what the hon. member said because he said I was accusing him of taking people from the labour force. I am saying the opposite. I am saying that he is doubling the number of persons who were voluntary idle, who are not in the labour force at all, and therefore if they were put in the category not in the labour force and if they are not voluntary idle, therefore you have to add them on to the ones who should have been unemployed; and far from having a reduction in unemployment of .01%, you probably have an increase of 2% or 3% or more. I have not done the calculations.

Now what was there in that document which you have before you for two hon. members to get up and interrupt me when I am trying to reply to the statements which were made yesterday and to demonstrate to the general public of this Island the level of confidence which they can put in the hastily

contrived document which we call an Economic Report and the statements of fact which are based on such an Economic Report. So I have nothing more to say about that because I have dealt I think, with the whole question of unemployment.

I am saying, and I am not proud of it, in 1976 they cheered the ranks of Tuscany — I have to ask my honourable friend on my right to give the quotation to you; he is my learned friend and colleague on my right, the Leader of the Opposition, to give you the reference. I am not wasting time with that — they cheered when the hon. member as he then was the hon. member for St. Thomas, the Hon. Leader of the Opposition, the now Hon. Prime Minister and now Minister of Finance, I give him his full title, said that unemployment in Barbados was 26% and he got it from some Indian gentleman whose name he did not choose to divulge, working in the Ministry. When he said that it was 26%, I said the figures which we have of unemployment level in Barbados of which I am not proud, is something in the region of 13%. The hon. members who were on the other side at that time cheered at the prospect that the unemployment level in Barbados was 26%. Everyone remembers that. That was one of the saddest moments in my life. I am not proud as a Barbadian of the fact that we have a high level of unemployment in this country. Do you know what I say? I will explain to you very briefly. As Mr. McNamara the President of the World Bank pointed out, the unemployed and poor people are not only non-productive, but they tend to lower the disposable income of those who are working and those who are productive. In other words, unemployment and poverty are counter-productive factors in any society, therefore if you have three members of a family working and two not working, the three who are working have to take part of their earnings in order to help feed the two who are not working. This is putting the whole situation in a nutshell; and the ones who are working therefore have a smaller disposable income for which they do not necessarily receive any compensatory tax write offs when they have to support people in their family.

Fortunately for us in Barbados in particular and in the West Indies as a whole, we have managed to survive because we have a survival of an ancestral system coming from the great Continent of Africa of the extended family, and no one coming in from the rural districts of this Island and being left stranded, let us say, on a Saturday evening or late Saturday night in Bridgetown has much difficulty in finding some friend or relative who will put him up in the night and give him a meal the next morning; and it goes further than that. Despite the fact we have been detribalised by the British hegemony, brainwashed, detribalised and left stranded, we have certain survivals and these instincts

prevail notwithstanding the efforts of the ecclesiastical authorities and the efforts of the political authorities prior to our independence to deprive us of our African heritage, we have this business in this country and in the West Indies of the extended family and people have only been able to survive starvation because we recognise a responsibility for the weak and the unemployed. It is because of this system that we have not had in these Islands the development of more revolutionary situations as is happening in Jamaica where people feel there is no hope, they are living outside of the system and therefore they have to resort to some kind of demonstration against the wrongs which they suffer. I say all of that parenthetically, Mr. Speaker, in order to demonstrate that no matter what Government is in power, I am not proud, I was not proud when I was Minister of Finance, of the fact that there was even 1% unemployment in Barbados. Had there been no fuel crisis in 1973-74 I think that Barbados in keeping with some other Caribbean territories was well on the way probably in four or five years' time to eliminating substantially the spectre of unemployment which in 1973, despite the mismanagement that the hon. member speaks of, was down to something like 7.6%. Let him go to his mythical, magical sadhus gurus, Indian friends working in these mysterious ministries who were even unknown to the people who were working in Government and produce some figures to show that this is not so.

There is a World Bank Report and while I am on that, when the hon. member is speaking on these things and trying to convince the public that the D.L.P. has mismanaged the economy of this country, I invite, I never use the word "challenge"; if I were the hon. member for St. James, he is always challenging, but I do not challenge neither my friends nor my learned friends, but I invite my opponents and my friends to do something for the benefit of the public, and it is this, a simple thing: ask the hon. member whether he would have published the World Bank Reports and the IADB Reports for the years 1974-78 inclusive in order to support his contention that independent authorities considered that the Barbados economy had been mismanaged. Then I want the hon. member to do something further.

1.10 p.m.

Then I want the hon. member to do something further. I wish the hon. member to go and ask his Central Bank authorities — now, even when the hon. member was in Opposition he was always quoting the Central Bank periodicals, publications; there are usually two, the reports and the statistical digest, I think it is called. The hon. member said that we encouraged inflation. Ask him if at any time the people who are advising him now ever told him that this Government, the Government of which I was a member at the time,

refused to take corrective action on inflation from the time that we had the fuel crisis.

Let us leave the figures apart, Sir, which he said, "well, on that is just fortuitous, 1976 was just an accident," somewhere along the line there has got to be an inconsistency, because he could not be getting the same advice or advice from the same people that I was getting, and he hasn't really changed anybody in the Central Bank, I think the hon. member gloried in the fact that he had a great deal of confidence, as he had in one of the media, the Government television, a broadcasting station, he said one day in here "Oh, we have 60% of them." He probably had 88 or 98% of them, he probably had 98 and still has 98% of people at the Central Bank. I invite also the Governor of the Central Bank to come out and make a statement corroborating the hon. member that the economy was mismanaged during those years. So he has two independent sources, he has the World Bank and he has also the Central Bank. Two more eminent authorities I do not think you could call for.

Now, the Government or public sector is perhaps the largest single employer of labour in this island. There are probably more than 15,000 persons, quite apart from pensioners, who are drawing money for work supposed to be done on behalf of the taxpayers of this island. I choose my words very carefully, it is not always done or not always done well, and sometimes it is done well, but the figure must be in the region of 15,000 persons, public employees. They are not all of them public officers within the meaning of the Civil Establishment Act, but they are certainly somewhere between 14 and 15 thousand. The Government therefore is the largest single employer in this island. I am not speaking now industry by industry, because that may be agriculture or may be distributive trades, but it is the largest single employer.

Mr. Speaker, when the Estimates were introduced in this Chamber the hon. member, the Minister of Finance, intimated at that time that there was now built into the economy of Barbados, in the Government's finances certainly, a kind of chronic situation of structural deficit, and you will remember, Mr. Speaker, that at that time the hon. member said that he had given instructions that there should be a curtailment of Government expenditure of the magnitude of 10%, and Your Honour will also remember that on that occasion I did a very rapid run-through, the exercise antecedent to the presentation of the Estimates to this Chamber, and demonstrated that faced with a deficit left over of \$32 million, and quite a large deficit on Current Account in this financial year, that in preparing the Estimates the hon. member would necessarily have eliminated all of those unnecessary items which come under the heading of

Non-Recurrent expenditure, that as he himself had admitted, he had whittled down his Capital Estimates to the bone, because he accused me of inflating the Capital Estimates, in other words, projecting that we could carry out more work during a specific time span than we were actually able to carry out, forgetting of course that if the term 'absorptive capacity' was ever used by anyone in the history of this Parliament I was probably the first person to use it. Not really a flash of intuition or anything on my part, but this is so because year after year I pointed out that I did not think the absorptive capacity of the economy of Barbados could entertain Capital Works of a magnitude of more than, let us say, 60 or 65 million dollars. You will remember that.

I also pointed out that during the presentation of the Draft Estimates there were certain items which were fixed by law which were civil servants' salaries primarily, and all the other people who are being paid out of the Civil Establishment Order and under Acts of Parliament. We cannot even discuss those during the presentation of the Estimates. During the debate on the Estimates we discuss only the items which are not fixed by law, and I pointed out at that time that any curtailment of Government expenditure would have to be at the expense of the casual workers, the non established staff and the unestablished staff. Not that there is much difference between them now, there used to be a difference in pension, we had one for casual workers and so on, but these are the people who are normally engaged upon your works programmes, your construction of roads and so on, and I pointed out that if he was issuing that directive that it could only be hitting at the level of employment of these people, these people who needed work and who needed incomes more than anybody else. Lo and behold, Sir, within 48 hours a directive was issued or came to the knowledge of the members on this side.....(Hon. L. R. TULL: No, it was issued before). I hear a *sotto voce* remark from the Hon. Minister of Education to the effect that it was issued before, well that makes the whole exercise a little more cynical; that is all it does, Sir, but I know it was dated that week that as from that week henceforth the casual workers could expect only four days per week, there being a shortage of money. That letter was issued under the instructions and under the authority of the Minister of Communications and Works, according to the circular letter a copy of which I saw.

I would only like to point out this, Sir, I should only point out this, that a reduction in work to a man who is living on what could only be considered to be a wage calculated to keep body and soul together, to provide the bare essentials of life, a reduction of work is a reduction of income, and a reduction of work from five days a week to four days a week is a 20%

decrease, a 20% decrease in that person's earnings in any particular week in which he is only given four days' work instead of five.

1.20 p.m.

Is this how the hon. member is solving the unemployment problems of this country? With this grand design I thought there would be an abundance of work in the productive sectors of the economy, not a decrease in work from 'five days a week to four, with a correlative decrease in take-home-pay, but rather an increase from five days a week to six, of course, on a voluntary basis. As a matter of fact, Sir, in agriculture in this Island in the out of crop season people got two or three days of work a week, and the Government of which I happened to be a member introduced the principle of the guaranteed week for agricultural workers which started at three days and ended three or four years ago with a compulsory guaranteed five-day week for agricultural workers. This was in our Manifesto in 1961. We appointed a Commission in 1962 to go into the sugar industry, the increase of efficiency and productivity and all related matters in the sugar industry such as shortage of work and so on, and specifically written into their terms of reference was to enquire into the feasibility of a guaranteed week for agricultural workers. The Commission unfortunately did not make any recommendations. Representatives of the workers did not see how it could be done and made no recommendation, and naturally the representatives of the employers, the Sugar Producers Federation, kept quiet, and it took a dispute in the sugar industry for me unilaterally to write into the law of Barbados that there should be a guaranteed week for agricultural workers, and these workers today are now entitled to five days work a week so long as they are ready and willing and present themselves at the factory gate so to speak, or the ordinary place of employment wherever that may be. We have put the whole social and economic system into reverse. We have gone backwards, because the Government which should be setting the example, the Government which according to the hon. member yesterday could take \$500,000 to put into the Light and Power Company with whom you frequently had disputes about their rates, when one of the Ministers of that Government could say that they did not have any money to pay a man who may be buying something on hire purchase — it is true you are trying to eliminate buying anything on hire purchase nowadays — you mustn't have any ambitions to own a stove, that is why kerosene is now a fit object for increased price — I nearly said taxation, but hon. members are saying we are not putting on an increase in kerosene oil, we are allowing the shopkeeper to charge a little more. But I don't care whether the money is going into the pocket of the Government or into Roebuck Street, an increase in kerosene is an increase in kerosene, and this idea of putting an increase on kerosene could only be sensible

if there had been some increase in the use of kerosene oil due to the restrictions against the acquisition of more modern appliances such as gas stoves. There was a time when in the rural areas you could see children with a wheel barrow carrying a gas container going to the service station and taking home a bottle of gas, or a man with a container on his bicycle. But today we are back to the kerosene tin. Fifteen cents a pint, \$1.10 a gallon; but it is not a tax but you still have to pay more. And I am submitting that the man is paying more is really not concerned whether it is a kerosene tax or a gasoline tax. The point is that his cost of living has necessarily got to rise as result of the increases whether it is going into the till of the shopkeeper or into the vaults of the new National Bank

And I now come to the most significant part of this statement made by the hon. member yesterday and it is this. In naval tactics when you want a ship to stop you are supposed to fire a shot across the bows. Earlier last year the hon. member came out with a famous statement that he would like to see increases in wages and salaries restricted to 5%, but the real warning shot came earlier this year when he said that as far as he was concerned the public officers could look forward to no increase at all. I hope I am not misquoting the hon. member — that is my recollection, no increase at all. But in this Budget the hon. member is so enamoured of the idea that in 1976 I gave the public officers in Barbados and the casual workers and everybody else so much more money than the cost of living warranted, that far from giving anything now he can take it back by the way of increased taxation on a long list of essential commodities like kerosene oil and gasoline. And the statement made by the hon. member, not yesterday but before — I think at the time of the Estimates or slightly before — that industrial peace was bought at the price of high wage increases — that is what the hon. member said. And everything that he said yesterday is directed to this main thesis that the civil servants got too much money.

1.30 p.m.

Now, as I said earlier in my remarks, I do not want to glorify anything I said by the title of "a speech". It is a discussion that I am having here in the House of Assembly of Barbados on statements made by the hon. member yesterday. But if I were going to write something like a biography of the hon. member, I would not put in a single word of my own. I would only put on the left hand side "statements made on one occasion by the hon. member", and on the right hand side "statements made on another occasion".

Now, in June, 1976, on Page 6722 of the reported debates of this House, sir, this is what the hon. member said: "Even if it is true that they have had more increases — and except for the Police Force it

appears to me that it may well be true — even if that is so it does not mean that you can tell a man because you had an increase in your standard of living, because the former increases were more than you needed to keep pace with the cost of living, you now have to back track. That in effect is what has been said."

Far from back tracking, sir, what I was doing is going forward; because I just want to remind you very briefly, sir, that what I said was that the cost of living over a ten year period had risen by such and such a percentage, whereas the average percentage increases to members of the Public Service of Barbados had exceeded — not by a great amount — had exceeded these increases; and in spite of what the hon. member was saying that it was an 88 per cent inflation in 1973 — 74, I said in spite of that, when you average it out and you take the figures, you will see that there was a slight advantage to the members of the Public Service which was reflected in an improvement in their standards of living.

I am serious about this. Public Officers who formerly only had one motor car, some of them had two. Some of them who did not have motor cars at all, some had motor cars. Some of them who did not have autocycles, had autocycles. That is an improvement in your standard of living; but I did not ask the Public Servants on that occasion to back track, sir. What I said was that after having 22 meetings, I did not see any possibility of our meeting at a level where we could reconcile our differences of approach from what we were having before; and what I proposed on that occasion when they were demanding an 85 per cent increases — that is, a 30 per cent increase immediately and a 15 per cent in the following year, which is what has been done. It was no question of back tracking. But what was I told then? I would like to go on and quote.

On Page 6733 the hon. member, the same hon. member who delivered the Budget Speech yesterday, said: "We do not wish to view the cost of living index as the only measure by which the salaries of the public sector of this island or any other sector should be gauged. If you can afford to give your Public Servants more than the rise in the cost of living indeed, in other words give them an increased standard of living, it is your duty to do so; and you have no business to come to the House of Assembly to reprobate your actions in so doing at the appropriate time. When the Minister of Finance, the Prime Minister, comes in to say that the Civil Servants got more than their share it is a disgraceful and misguided argument showing no understanding of why people get increased wages, and showing no appreciation of what the Civil Service has done towards increasing the prosperity of Barbados. To simplify my argument, sir, if the cost of living is stationery, Civil Servants must still deserve an increase.

if in some strange way the cost of living had not gone up at all since the last increase in 1972, but production had improved, the number of tourists had increased (as he said yesterday that the number of tourists increased — the highest in the history of the island —) the Civil Servants should get an increase to give them a share in the greater prosperity of Barbados."

Mr. SPEAKER: Could you just give us the date of the debate and the page.

Rt. Hon. E. W. BARROW: I gave you the date. I am sorry that you did not hear. I gave you the date first, sir, the 22nd of June, 1976, and the page now is 6722.

Mr. SPEAKER: I just wanted you to recount that for the benefit of the Hansard Reporter.

Rt. Hon. E. W. BARROW: Yes, sir. Thank you for reminding me. I will go on, sir. On page 6724 the hon. member said this: "It is an undisputed fact that the standard of living of Civil Servants has declined; and the measure of the decline is the measure between the cost of living index and the increase which the Prime Minister has offered; and even that base, no account of the fact that they have been in decline already for two years. In 1973 the cost of living went up by 6 per cent or 26 per cent depending on how you look at the figures. In 1974 it went up by 36 or 38 per cent depending on how you look at the figures. In 1975 it went up 12 per cent or 15 per cent, depending on how you look at the figures".

This is what the hon. member went on to say. Listen to this carefully: "The Prime Minister in 1973 fiddled with figures to reduce the apparent rise in the cost of living." There was a great debate. Two economists at the University said that the better method was the method he uses. Well I hope that he is satisfied now that the method he uses gives a greater increase in the cost of living in the last two years than the method which was previously used.

He said that I was fiddling with figures to reduce it, but still increased it; and I was supported by two people at the University. Well, I hope that he is satisfied now that the method he uses gives a greater increase in the cost of living in the last two years than the method which was previously used. The new method which he said was so much better than the old now shows that the cost of living is going up more just as I said it would show. He may be regretting that he did not stick to the old principle; but that comes from taking ad hoc decisions instead of making himself look ridiculous — following a new principle which makes the increase in the cost of living look even more inflationary.

He went on to say, sir, "Looking at it one way I believe that it has gone up 120 per cent. Looking at it another way it might have gone up 116 per cent. Looking at it generously, the cost of living has doubled since 1971. The Prime Minister has of course always blamed this on outside sources. He always says even with less force sometimes than the more economically ignorant in the ranks of the Government — but I do not refer necessarily to persons on the Other Side — he has said that you import inflation and you can't help yourself." Yet, nonetheless, he was forced today to concede in the terms of a previous confidential World Bank Report that there are certain countries which are being bamboozled into inflationary increases. I am referring to what the hon. member said yesterday. That is on the right hand side of the page, and you can work out the bottom line. On Page 14 of the cyclostyled copy of his statement yesterday this is what the hon. member said:

1.40 p.m.

"One of the most disturbing factors brought about by the then situation was the creation of a very strong inflationary psychology, so that the population became so firmly attached to the belief that standards of living were being eroded by rising prices that it continued to hold it even after prices were in fact stabilised in 1976."

Do you remember what I said just now?

"Local prices of fundamental food items imported into the Island — meat, rice, chicken parts, flour for bread, cornmeal, English potatoes have not risen and have in some cases fallen in 1974–75."

The statement which I read just now was a statement which he was making on 22nd June, 1976, and he was saying that there was, if you look at it one way, 120% increase in the cost of living, and if you look at it another way, it was 116%. Whichever way you look at it the hon. member and I do not seem to be looking in the same direction or at the same set of circumstances or even the same speeches made in the House of Assembly by the same member. So whichever way you look at it, you cannot reconcile the irreconcilable. But he went on, and I turn now to page 19.

"INCOMES AND PRICES POLICY".

From the Fifties to the early 70s the situation in Barbados was very similar to a certain model which he mentioned above in which he said "so long as the normal process of collective bargaining results in wage increases which approximate productivity gains, the economy can absorb the increased purchasing power without problems. However, the fourfold increase in

energy costs coupled with the emergence of global inflation and more recently recession and protectionism has appreciably altered the situation. Increases in wages and salaries which significantly exceed the capacity of the economy to pay from real gains in productivity can, in the changed situation, have serious effects on the economy."

Now Sir, the hon. member went on.

"Many of those who have most vehemently opposed the adoption of an incomes policy have focussed on the existing inequalities of income distribution in Barbados and have argued that any attempt to limit the rate of wage and salary increases can only make this situation worse. In the first place, since it is agreed that, within the framework of any incomes policy, higher increases will be granted to the less well-off and lower or no increases to the better-off, then an effective policy will actually lead to a more equitable distribution of income than the unfettered operation of the collective bargaining process."

Now, Sir, if you will reflect on two things, he said that a policy is better than collective bargaining, and in 1976, because after 22 meetings I came in here and granted public workers a minimum of 35% increase on the average in their wages and salaries with 15% in the following year, the hon. member said that I had violated all the principles of collective bargaining. If that was not the actual expression he used, he used more violent expression than that I had violated the principles of collective bargaining and disturbed industrial harmony, and that I should go back to the bargaining table because a gentleman who has now been elevated to the auspicious office of his Parliamentary Secretary was demanding 80% increase for public workers. What are we to believe? Which way is the Hon. Minister of Finance looking at things today within the short time span of only perhaps two years? Which direction is he looking in? No bargaining at all, because long before there were any discussions between the representatives of the public officers through their unions and the representatives of the Government, a warning shot was fired across their bows that there would be no increase at all. This is what I really do not understand. If the hon. member is claiming that due to the grand design which was inaugurated under his beneficent regime, the whole economy of Barbados has improved so miraculously, *a fortiori* ...I am sorry; looking at you I can't help speaking Latin because I know you understand. By all the more...

Mr. SPEAKER: I hope the hon. member knows that the Standing Orders of this Honourable House require that our debates should be conducted in the English language.

Rt. Hon. E. W. BARROW: It is being conducted in the English language. It is my mother tongue. But I think even in our Standing Orders we have certain expressions which are now currency in the English language. I have heard Your Honour yourself — I am not accusing you of any improper motives — following parliamentary procedure by saying that this meeting is adjourned *sine die* both in here and in Committee. Correct? You weren't using the English language.

Mr. SPEAKER: Continue.

Rt. Hon. E. W. BARROW: So *a fortiori*, ever since the inauguration of this new dispensation for which we are all supposed to be grateful, the first recipients should be the employees of the Government of the improvement according to what the hon. member said. Yesterday the hon. member said "no, we can't do it." Well we have to know whether there has been all this improvement, whether there has been increase in employment, if there has been an increase in employment there has been an increase in the GDP, there has been an increase in tourism and all of these salient factors which were brought home to us yesterday in the remarks made by the hon. member, then according to what he said, it is not consistent for him to claim at this juncture that the public officers are not entitled to any increase, and certainly it does not really become him who argued so much for returning to the bargaining table after 22 meetings to say the equivalent of "there is no point in even meeting because my mind is already made up".

I made a statement on prices and incomes policy and my statement made on prices and incomes policy some two or three years ago said that prices and incomes are all very well and good and it is something that we have to examine with a view to seeing how we can implement such a policy; but you cannot talk about prices and incomes alone without speaking about profits, and there is no point in telling a man who is working at a level which only provides him with enough for the necessities of life that you are going to have a policy unless you are going to some way or the other control profits of entrepreneurs at the same time, and I am not in favour of saying that in an economy no matter that the ratio between the highest salaries and the lowest salaries in the civil service is something like just over 7%. It has been like that for a very long time. If the hon. member goes back five years, he will see that a long memorandum on this same subject of the ratio between the highest and lowest salaries in the public sector, and that at that time more than five years ago we said that whereas most developing countries and most industrialised countries were aiming at a ratio of 15% to 1%, we should aim at something like 8% to 1%. Today it is something like 7% to 1% before taxation.
1.50 p.m

He says today it is something like seven point something to one before taxation. But leaving all that aside, Sir, it is one thing to say that you didn't really appreciate what was going on, but one should not make statements. The hon. member, I think it was during the Estimates, said that they have an open Government, that we didn't really tell people what the situation was. My speech was for more than an hour and a half or more than two hours on this very point, but at the end of it I introduced a Resolution to give them 35%. But before they even bargained they reduced the working week by 20%, so far from an increase a directive has been issued to the people who can least afford it, and these are the people we represent, that there is to be this reduction in their earning capacity in any one week which would amount to 20%.

Sir, really I do not think it is necessary for me to say any more on that particular aspect of the budget, except to quote this particular part of his speech on page 6732. This is what the hon. member said at that time, Sir: "I hear that there is an agreement between the Prime Minister and the bulk of taxpayers, an agreement to do what?" You will remember, Sir, that I made the famous statement that I regarded myself at that time as Minister of Finance, despite all the pressures that the various General Secretaries had been putting upon me, as the General Secretary of the taxpayers, so the hon. member changed this slightly — I use the expression "changed" — to say that he hear there is an agreement between the Prime Minister and the bulk of the taxpayers. I said that I regarded myself as the General Secretary. "An agreement to do what? An agreement to keep down the civil servants? I do not know whether the Prime Minister is serious when he says the bulk of the taxpayers can be mobilised to say that it is correct to impose solutions without making more serious efforts at collective bargaining. I do not believe that 18 meetings is the maximum number ever held between the representatives of a Government and the representatives of the public service of this island before agreement was reached. That is a straightforward matter of fact upon which I have little information, as invariably the hon. member has, and upon which the Prime Minister has on, as invariably I had at the time, but I do not believe that 18 is an unusual number of meetings in wage negotiations. It may be high but I do not believe it is unprecedented!"

That is what the hon. member said. So now we are to have this prices and incomes policy, but what is remarkable is that my prediction that any curtailment of Government expenditure can only be at the price of reducing the level of employment of those workers whose salaries were not fixed by a Civil Establishment Order, that that prediction came to pass within a matter of some 48 hours.

I should now like, Mr. Speaker, to turn more specifically to the situation on the budget, the actual proposals for taxation and so on. As the hon. member has now come around apparently to discovering, a budgetary statement is not an occasion for displaying your erudition or something like that, it is an opportunity basically to tell people what measures the Government is going to introduce in order to bridge to some extent the gap between expenditure and revenue, and secondly, in any country which wants development, what measures will be taken by way of incentives and so on to stimulate growth in the economy. But basically, however you may pad it out, whatever length of time one may take to repeat statistical information which is more properly the function of an economic survey or an economic report based on accurate information, however one may indulge in self-congratulation, the main object of the exercise when a Government is confronted with a deficit in its revenue — expenditure system is to say what measures are going to be taken to rectify that situation.

Mr. Speaker, it stands to reason, there is no Government in the world, no matter what facilities it may have at its disposal for creating money, there is no Government that can go on creating money indefinitely for current consumption. The hon. member has now come around to seeing that, but the impression which the hon. member tried to give was the question of a deficit on Current Account is structured in that it was built into this economy by the former Government. I just want to quote, Sir, from a statement made on the 15th March, 1978 by the Governor of the Central Bank of Barbados on the occasion of the symposium on finance sponsored by the Barbados Manufacturers' Association. I am making it a document of the House, and I want to quote it very very briefly. I quote it, Sir, with no apology because the Governor of the Central Bank said in his opening that the Prime Minister was really asked to give this address, this was exactly one month ago, Sir, March 15, four weeks ago, "unfortunately his pre-occupation with the budget estimates for the coming year has prevented him from being here today. I am sure that my remarks will be quite different in nature from those which he would have delivered. This is because the role of the Prime Minister is quite dissimilar from that of the Governor of the Central Bank. Frequently the Prime Minister is called upon to stir the national imagination, to fill his audience with a spirit of optimism, and to exhort them to new heights of performance. The task of the Governor of the Central Bank is rather to grab the nation's feet and plant them firmly on the ground. The Central Banker is the nation's accountant, it is his task to keep constantly before the public the true state of the nation's finances and to give timely warning of undesirable trends and developments and the consequences thereof."

Now, Sir, if I may turn immediately after that to page 3. "Except for 1975, the year of the sugar windfall, the Government budget has failed to show a surplus on Current Account since 1972. In the current fiscal year ending 31st March, 1978 the deficit on Current Account is estimated at a record of \$32 million. For the coming fiscal year the estimated deficit on Current Account is even higher, at about \$40 million. To use the vernacular, we are living beyond our means. The sharp increases in the cost of Capital which have also reduced the ability of Government to finance the major portion of its Capital Expenditures from its own resources. Whereas the overall deficit exceeded \$10 million only twice prior to 1972, it will probably reach \$100 million during the current fiscal year, and the estimate for the fiscal year 1977-78 is even higher." 2.00 p.m.

Now the Government went on to say this: "These are magnitudes which we must take seriously. Even more important than the magnitude of these deficits is the manner in which they are being financed. If the deficits were easily financed from domestic sources other than the Central Bank, the effects would be non-inflationary even though the inflationary pressures could break down if the Government's creditors did not purchase new securities when their holdings mature. But if the Central Bank is forced to hold substantial amounts of the Government debt, the effect is to expand the supply of money and increase upward the pressure of prices in the Barbadian context where five out of every eight dollars spent go to purchase imported goods, and increase in the money supply occasioned by deficit spending will almost certainly lead to an increase in import and deterioration in balance of payment." Now that is what the Governor of the Central Bank said only four weeks ago. Has the Governor of the Central Bank given the hon. member the opposite kind of advice within the past four weeks? Because yesterday the hon. member was saying that the wage increases which had been given had an effect of increasing the money supply in our regime but now he has taken corrective action and therefore he did not anticipate — this is what I gather from him — that there would be any further deterioration in the balance of payments. The hon. member went on to make a statement to the effect that it would be inadvisable — I am paraphrasing what the hon. member said — for the Government in the circumstances to hope to finance the deficit by any large amount of borrowing. Now, Sir, I would like to quote him more accurately, and I am grateful to my colleague here on my right. At page 37 at the bottom of his Statement the hon. member said: "While it is considered that commercial market borrowing to finance foreign exchange costs of development projects and productive investments like the Flour Mill and the extension to the Hilton Hotel is justified, it is not the policy of Government to mortgage the country's future

resources to finance public consumption and the payment of wages and salaries." But having said that, on the very next page how does he finance public consumption and the payment of wages and salaries. Here it is at the bottom of page 38: "The policy of the Government, therefore, is aimed at ensuring that, after the taxation measures which I will in a moment propose, the overall public sector deficit, current plus capital, in the fiscal year 1978/79 is held to \$100 million."

It is proposed that the deficit be financed as follows:

Project and Euro-dollar loans	\$46 million
Domestic Banking System and Central Bank	\$39 million
Loans from National Insurance Funds	\$15 million".

So $15 + 39 + 46 = 100$ — BINGO, perfect score by the hon. member. And then he lumps capital, and we know that current expenditure is \$40 million in deficit. But you know the marvelous thing about this exercise both last year and this year? The ordinary member of the public is led to believe that if you have a deficit of \$32 million last and you have a deficit this year, you can walk away from last year's deficit and forget about it. But like the poor, deficits are always with us and you cannot walk away from last year's deficit of \$32 million, so what in truth and in fact you have is an inflationary situation in which you have to print money — Treasury Bills — borrow from the Central Bank, as the Governor of the Central Bank has warned against, borrow from the National Insurance Fund in order to pay for current consumption. I want to make my position clear, The record can be examined. As the Governor of the Central Bank has himself pointed out, prior to 1972 the deficit on current and capital account only exceeded \$10 million on two occasions. Now, according to the hon. member, we have what he calls a structural situation in Barbados, in which we can look forward to an accumulation of deficit and the very thing that he railed against on public platforms and in this Chamber in 1976 when the national debt was too high and none of that national debt, I venture to say, up to 1974 was incurred in respect of current consumption but in respect of what you could drive about and walk about and see as capital developments. Up to now they have not produced a capital development programme, because the Harbour and the Airport, the Community College, the Polytechnic, the Sewage Scheme — whatever you can think of going on of a productive nature in this country and adding to the capital assets of the community are matters which were not only initiated in the development programme of the Government over which I had the honour to

preside, but for which the funding — this is important — it is all right to have grandiose schemes of development — pie-in-the-sky — but to find the money, to be able to ring up the Prime Minister of Canada and say we want money for the airport and no letter passes at all. They talk about methodology. And then the next time you know about it the High Commissioner walks in and we sign it. Being able to communicate with people and let them understand, not in a situation of crisis but on a continuing basis, your inter-dependency as members of the same organisation, the Commonwealth of Nations. Maybe that is one of the reasons for staying in the Commonwealth. As I said before any time the people of Barbados want an independent republic, so long as they do not make the hon. member President, I am for it. It is what the people of Barbados want. Whatever they want is good enough for me. And if they want something and they get it and then start yelling, like the present situation, it is what they wanted. We have to grow up and learn by our own experiences.

2.10 p.m.

If we come to a situation where you have a current deficit of \$40 million, and if you agree with me that the main objective — you know you can make a lot of grandiose statements about grand designs and all that kind of thing, and you can have visions about your introducing legislation. Legislation cannot restructure a society in that way. Legislation can prevent certain things from being done or put a ladder underneath people like the five-day week that we gave to agricultural workers. You can do that kind of thing by legislation; but all of these great economic designs and so on are not going to come about by making speeches in here; and we had better face up to it.

But, Mr. Speaker, in view of the fact that the purpose of the Budget is to tell the country how we are going to cope with this situation, if you agree that you cannot go on having deficits year after year and walking away from the one before and putting it so completely in oblivion that you do not even mention it, it is still there with you. It is there in your national debt and it is there in a non-productive kind of way; and therefore your debt service charges are being carried forward as well as the cost of maintaining the Public Service and all the other services of Government because you have tried to walk away from the \$32 million which we had last year.

If you go through the last ten years of financial proposals and budgetary statements made by me you will find that altogether we never had — if you balance them out as I said — we do not have time to go into it now. I have said it here in the House already. Everybody did not hear. If you add them altogether you will find that we came with a surplus of something

like \$70 million — public sector savings which were able to contribute towards the development programmes from time to time.

The specific items therefore are supposed to raise in the aggregate \$4.5 million or so. At this juncture, Sir, I am not going to take up papers and work out arithmetic, so the hon. member will forgive me if I am \$100,000 or \$200,000 out; and these measures, Sir — first to begin with, the measures which have been introduced by the hon. member — do not even go 10 per cent of the way towards solving the problem, or only go 10 per cent of the way towards solving the problem of the current deficit — the deficit on current account of \$40 million; and those figures are only provisional because they have not come to the supplementaries yet. They will start pouring in now about June or July, and you will see the Public Service coming back for all the things which have been cut out in the preparation of the Estimates; but they do not go 5 per cent of the way of solving the problem of the service of the over all deficit on capital and current account.

There are three kinds of savings in this community. There is the Public Service saving which comes from an excess of revenue over expenditure. There are private savings of individuals, and there are corporate savings by firms. Corporate savings are down. The Governor of the Central Bank said so. In the same document which I am making a document of the House the Governor of the Central Bank said so. Private savings have to be down. Do you know why they have to be down? Because even the hon. member admits that there was an 8.6 inflationary increase which was down to 2 per cent in July and August, 1946, and has now crept back up to nearly 9 per cent.

Therefore, whether we call it inflation or cost of living increase, however you look at it, therefore unless the average person has that kind of extra money in his pocket when the end of the month comes, it is bound to mean him or her in a position where they cannot put by any money for investment in the wonderful stock market institution that the hon. member hopes. So you have not gone 5 per cent of the way because your public savings are down, your private savings are down and your corporate savings are down.

Now what have we done? In his peroration — and I saw the face of the hon. member for St. James light up. The hon. member mentioned old aged pensioners. Now I want to say this: we introduced national insurance in this country. After years of agitation by us we managed to get national insurance. I have never heard anybody receiving retirement benefits under the National Insurance Scheme referred to as an old age pensioner. This is going to rebound and have an

unfavourable effect; because the impression given by the Press — and I do not know if the hon. member did it deliberately — but we listened to him very carefully, and he did not mislead me; but there are a lot of old people in Barbados today who believe that they are going to get non-contributory pensions of \$20 a week when it is not so. What the hon. member said was national insurance pensioners, old age pensioners; but they are not old age pensioners. All that it means is that a handful of people — I would like the hon. member in his reply whether I am here or not to give us the number of people who will be beneficiaries of this wonderful gift of his. It is a handful of people who have been contributing under the National Insurance, who have reached the retiring age and would not normally get their full retirement benefit because the scheme only started 10 years ago.

There are only going to be a handful of people. I remember the first recipient, a gentleman from the Courtesy Garage. I never like calling people's names. Mr. Grogan. Right. So what I am saying is that it is misleading to give the old people in Barbados the impression that they are going to get \$20 a week because it is not so. It only relates to a handful of people. (*Asides*) I do not want to be interrupted, Sir. It only refers to handful of people who would not get \$20 a week because they have not been paying contributions long enough; and we said that if non-contributors were getting \$16, therefore people who had contributed to the scheme should get the same amount.

I hope that is some precursor of the old age pensioners getting \$20 a week; but these proposals do not contain any provisions for old age pensioners, but only for retirement benefits under National Insurance. I just want to say in conclusion that the hon. member is always hitting at the taxi drivers. Taxi drivers now have to pay more for gasoline. They have to pay more for licences. Even walking sticks have been taxed. You cannot even blow your nose now because handkerchiefs have gone up. You have to buy Kleenex as the hon. member has advocated. So the position is that if you examine the incidence of taxation of this 4.5 million dollars, concessions have been made to a very few middle class people who can afford \$1,300 a year on \$65,000, people like in Belleville — I am not against the people up there, Sir — but even their gardens will get something; but obviously that was directed to people in that kind of area, up in the Pine and in Belleville; so you cannot get gardeners now, but you are giving people more allowances for having gardeners and encouraging snobbism where real horticulturalists do their own gardening, unless they have a big tremendous area in which they must farm; but what you are doing now is giving people a bigger allowance for a gardener than they get for their own children. It is \$300 for a

child and \$500 for a gardener. So we are going to produce a nation of gardeners.

I began Sir, by saying yesterday — “yesterday seemed so far away; but yesterday all our troubles seemed so far away; but now we know they are here to stay.” (*cheers*).

SUSPENSION OF SITTING

Hon. J. B. St. JOHN: Mr. Speaker, I beg to move that the sitting be now suspended until 3.15 p.m.

Hon. L. S. CRAIG: I beg to second that.

Hon. F. G. SMITH: Mr. Speaker, on the motion for the suspension I would just like to draw Your Honour's attention to Rule 31 of the Standing Orders of this House. This House first met on Tuesday and the House has been suspended since Tuesday, so there is only one sitting, as far as I understand the proceedings of this House starting from my first experience in 1956. Now the two sitting days are mentioned in Rule 31(1). I want a ruling on whether this debate can really continue. “The two sitting days which shall immediately follow the annual financial statement and budgetary proposals shall be allotted for debate thereon.”
2.20 p.m.

As I understand this rule, it says the next two sitting days, of which this is not one, and therefore I want to hear a ruling from you since the rules are clear in my view. This has been a continuous sitting since Tuesday, and the rules clearly state “the two sitting days which shall immediately follow”; so I want to know what days are allotted to the debate on the Budget under this particular rule.

Mr. SPEAKER: I am very happy that the Hon. Leader of the Opposition can read and understand. Rule 31(1) to which he refers specifically begins “on the two sitting days”, not the two sittings: today and tomorrow.

The question that this sitting be suspended until 3.15 p.m. was put and resolved in the affirmative without division.

On Resumption:

Mr. SPEAKER: This sitting is now resumed.

Hon. H. B. St. JOHN: Mr. Speaker, it was with great interest that I listened for approximately two hours and eighteen minutes of the speech of the hon. member for St. John. I cannot say that I was disappointed in anything that he said because he performed in precisely the same manner as is his custom. Indeed from the very commencement of his speech he indulged

in the usual criticisms of those who had the fortune or misfortune to work under him, in his usual irrelevancies and of course in his usual personal vicious attacks upon this side. Towards the end of his speech when he dealt with a few of the matters raised in the Budget, as usual he was contradictory.

This is too important an occasion, Sir, for us to lose the opportunity to explain to the public the full background of the economy in Barbados and of the reasons behind the measures which the Government introduced. There is one thing I want to deal with at the outset. It is a fact that for a long period of time we in this country have been suffering from current well-prepared data about the economy in this country. We on this side make no bones about it. From the time we entered Government we made it positively clear to those responsible both in the Ministry of Trade and in other Ministries that we were not going to be satisfied with historical information about important sectors of the economy; so that if in pursuance of the clear demand of Government some of the data may appear to be provisional or contradictory, I do not think that we should, because of these facts, slip back into the slack system which operated when the hon. member for St. John was in control of these matters. I think, Sir, that we should bear with the situation and continue to demand that there is a higher level of sophistication in the preparation of data about the economy in this country. This is most important.

I notice, Sir, that the hon. member confined himself to the question of the employment and unemployment in Barbados. I am not going to go into the methodology of the computation, the method of sampling and things of that kind. There are other hon. members who will deal with these matters, but I can say from the data prepared in my own Ministry which approached it from a completely different point of view and from the sample survey that in truth and in fact there has been an increase in employment of sufficient numbers in Barbados not only to take care of the school leavers who left school, but also slightly to reduce the level of unemployment previously. This is a very important point because there are other indicators which the hon. member has not dared to challenge which are in consonance with this opinion. It is not remarkable that there is a tie-in between the performance of the tourism sector, the industrial sector, the agricultural sector and indeed business profits in this country. The out-turn of figures for corporation tax indicates quite clearly that the tax operating against the background of an economy which grew in real terms of 5% must produce greater business profits and therefore greater taxation. It is quite clear that in the October assessment of one-half of the tax that a careful examination of the existing income tax and corporation tax law would reveal that the preliminary instalment

paid then would be based on 1976 profits, whereas by March you would be paying the last instalment of your tax on your actual profits realised in the fiscal year 1977.

Now the result of that has been that the deficit on current account has been reduced to around \$19 million. It seems most remarkable to me that this improvement in the current situation should be used as a platform for criticism rather than as a platform for congratulations. It is most remarkable to me that the hon. member talks about his dislike for the adversary system which he says is now a tradition in this country. He talks about a dislike for it and at the same time when factors which are favourable to all of us as Barbadians are clearly indicated, the hon. member makes no attempt at all to relate to that matter. I say, Sir, that it is a matter which all of us as Barbadians should be pleased about, namely, that the current deficit has been reduced from that which was projected. Sir, it is still a large deficit and it is one of the constraints which prevented the Government from taking further steps other than the steps that it took to stimulate further the economy in Barbados. One of the significant things about this Budget is that a deliberate attempt has been made by the Government to stimulate the economy in certain productive sectors so as to provide more employment and more growth in the economy.

3.30 p.m.

One of the significant things about this budget is that a deliberate attempt has been made by the Government to stimulate the economy in certain productive sectors so as to provide more employment and more growth in the economy. Not a word of that part of the budget has been mentioned by the hon. member, but we have to mention it, Sir. By the provisions of the tax credit, by the provisions of the allowances for married women for insurance, by the provisions of the creation of the national housing bond, increased funds will become available to be channelled into the construction sector of Barbados. This is most important, and it is a substantial attempt by the Government to reflate a section of the economy which can make a significant improvement to employment in Barbados.

I want, Mr. Speaker, to deal with a platform which is currently in vogue in this country, fanned by the words of the members on the other side and repeated today by the hon. member for St. John, and it is that this is a Government of words, not of action, that this is a Government that feels that by passing legislation it can stimulate the economy. Mr. Speaker, I have never seen or heard a more fundamental misunderstanding of the Government's efforts, programmes and policies than I have heard or seen when the hon. members and their supporters trumpet

out those words. The fundamental thrust of this Government since it has been in office has been to grapple control of the capital intermediaries in this country so that it can direct where the capital intermediaries in Barbados channel the funds so as to channel them not in wasteful consumption but in the productive sector. In other words, by passing the legislative measures to create the financial institutions, by passing the legislative measures to regulate the insurance industry, the sources of savings are now under the control of the Government so that those savings can be used for the purposes which in the opinion of the Government they should be used to increase economic development in Barbados, and already, Mr. Speaker, the evidence is abundantly clear that over \$6 million in investment funds have been invested by the insurance companies in Barbados in the productive sector, and more funds in the current financial year will also be invested by the financial institution via the National Bank and the Barbados Mortgage Finance Company with the proceeds of the bonds created by this budget. That is a very important and fundamental point.

I am proud of the fact that after 19 months in power this Government has had the courage to do what it always preached while it was in Opposition, what it always advised the other side to do while it was in Opposition, that it must seek to control the commanding heights of the economy in the form of the capital intermediaries, and ensure that the funds at their disposal are channelled into the productive sectors and not into wasteful consumption in the form of consumer durables.

I want to deal here now with another fundamental point. The hon. member in his speech talked about and criticised a statement in the budget that since we had a deficit on Current Account, and the Prime Minister in his speech had accused him when they had a deficit of contributing to the inflation, that the mere fact that we had a deficit, therefore we contributed to the inflation. Mr. Speaker, again the hon. member has obviously totally misunderstood the purport of the Import Licensing Review Committee, because the deficit that we have today on Current Account cannot be channelled into imports of consumer durables because of the institution created by this Government in the 19 months of power to strictly monitor imports and ensure that spending in this country is directed more towards the productive side. That is a fundamental point that was also missed by the hon. member for the other side. As a result of that, it is precisely as a result of this policy, of this understanding by this side of the proper disposition in the context of our economic position of credit that we can say today that there is a significant improvement in the balance of payments position, and that is so. All the evidence shows that from the last quarter of 1977 right into the present

quarter there has been a substantial improvement in the balance of payments. But, Mr. Speaker, we also have to remember that the Hon. Leader of the Opposition is obviously providing an occasion for the hon. member for St. John to indulge in straight partisan politics with these matters.

3.40 p.m.

It is well known that sometimes during the course of this year, if the Honourable Leader of the Opposition was of the same intention as he says he is, that there will be an event which will cause a certain amount of partisan political activity, and the hon. member for St. John has apparently started his activity already. The distortions of the Government's position on the need for wage restraint continued today, and I am not going to allow this occasion to pass without pointing out that the Government has made its position very clear that that policy does not relate to certain levels of earnings. Secondly, and this is most important, that wage increases which result in increased gains in production are premissible and indeed encouraged by the Government. And thirdly, that concurrent with the policy of wage restraint there will be limitation and control of profits and dividends — a total package. And what is more — and what has been left out — is that the Government has made it abundantly clear that it is carrying on dialogue with the relevant organization, and in the opinion of Government some substantial progress has been made towards an understanding of the need for Barbados to have a policy in relation to wages which does not make it uncompetitive — either in the CARICOM area or in other parts of the world — and this is of great importance. The is one true thing the hon. member said over there, that is, that you cannot go on spending on current account more money than you are receiving in revenue. The hon. member has said that, but he did not go on to say how he would have raised additional revenue.

In his Budget Speech the hon. Minister of Finance made it absolutely clear that the existing tax take in Barbados as a percentage of the gross national product was somewhere in the vicinity of 34%, and we have been advised both internally and externally that we have reached the stage of having one of the highest percentage rates in this regard of any country in the world which did not have defence expenditure. The hon. member said that the Government had taxed umbrellas, handkerchiefs and item of that kind. But the hon. member omitted to say how he would have closed the gap. And I want to deal now with the very cheap political point attempted to be made by the hon. member for St. John with respect to the fact that the DLP had increased the work week for agricultural workers from three days a week to five days, whereas we had reduced the work week in relation to a certain category of worker.

Mr. Speaker, one of the things we must remember is that between 1966 and 1976 by sheer mechanization and attrition of employment and reorganization, over 10,000 people lost jobs in agriculture in this country. This is a very important point. And this is very illustrative, because from our experience all of us in here know that we have to be very careful about certain sectors of the economy of Barbados, because we know that in certain industries, and in Government too, you cannot spend more than your revenue for a very long period of time. And in the context of Barbados we know that there is only a given level of wage which can be paid without an increase of income, and if it is paid without an increase in income it results in compression on the number of workers. That has been the experience in the agricultural industry and in the distributive sector. And given the Budget deficit that we have and given the need which is admitted by the hon. member to ensure that we close the current account gap, bearing all these factors in mind we decided we would spread the money available among more people rather than lay off some workers. If you blame us for that, that is your opinion. If you want us to lay off people or increase taxation, that is a matter for hon. members on that side but we on this side are prepared to defend to the hilt the equity of spreading the work among a greater number of people rather than paying a smaller number and having less people working.

3.50 p.m.

It is a difference of approach. They are entitled to their view and we are entitled to our view; but what I object to strenuously is the distorted manner in which the hon. member put across his arguments by saying that they legislated for a five day week for agricultural workers and that we reduced the work week, without telling the whole of the story that during the period of time when they went to three days and then went to five that there was a significant reduction in the numbers.

Now, there are others who want to make contributions to this debate; and I just want to throw out those few points at an early time in the debate; because the more I listened to the hon. member, I think that they were the only two points which were deserving of any reply. (ASIDE: You did not understand). I agree that I did not understand. It is not my habit to understand nonsense.

There is just one last point that I would like to make, sir. The hon. member said positively here that there have been no corporate savings in Barbados last year. Mr. Speaker, that cannot possibly be true; and I give the simple reason why. There has been an increase, a significant increase in the corporate taxes collected; and given the historical distribution pattern of corporations in Barbados, I am positive that all the

residue of the profits have not been distributed in dividends, and it is only one place it can go — that is either in savings or in accounts or in capital investments. It is totally impossible for the proposition put forward by the hon. member to be correct.

The position is very clear. Some progress has been made in the economy last year; but we cannot be complacent and say that we can immediately reindulge in wasteful habits of spending and not continue along the way which this Government from the very beginning said in its opinion we should have to go, namely to channel more funds into the productive sector, and less into wasteful consumption. That, sir, is the whole purpose and content of the Budget. (*cheers*).

Mr. SPEAKER: Is there any other hon. member who would like to exercise his right to speak? (*pause*) The question is.....

Mr. SIMMONS rose.

Mr. SPEAKER: The hon. member for St. Philip North.

Mr. SIMMONS: Mr. Speaker, during the speech of the hon. member for St. John this morning I made some notes; and I found that he only made seven points, some of which were redundant. The first one related to the stylistic method of the Prime Minister and the method of the presentation of the Budgetary Proposals yesterday afternoon. The burden of his criticism was that what was contained in the first part of the speech yesterday afternoon was really a rehash of what was contained in the Economic Report laid the day before.

I do not see that it is a matter for us to dictate how a person is going to present his speech; but I firmly believe that if the Economic Report was only laid in here the day before, and the speech was made to an audience of television and radio viewers and listeners who would hardly have seen or read the Economic Report because the newspapers do not publish these things — that the Prime Minister if he felt that it was his public responsibility to give the details of the country's economy over the year to the general public, that he was well entitled to do so, and far from being criticised, he should be complimented and congratulated for pursuing an aspect of open Government and informing the country of the good and the ill in the economy.

So I have no truck with the hon. member for St. John because I have before me the Financial Statement and Budgetary Proposals delivered by him when he was Prime Minister in 1962 — delivered by him on the 26th June, 1962, in this Chamber, but perhaps in a different

part of this Chamber; and you will see that the same format that was used yesterday was used in 1962, 16 years ago.
4.00 p.m.

He went into a comprehensive review of international, regional and local trends, looking at all sectors of the economy, and it is heavily coated with figures and percentages. This may be the style of Ministers of Finance, but surely to give the country a detailed review cannot be a justifiable criticism such as was alleged today.

The second point made by the hon. member for St. John related to the British Parliamentary system which it was submitted has created two things in our people, an inferiority complex and the adversary system of politics among politicians in Barbados. Now he was in power for fifteen years and at no time when he was in power did he seek to remove or alter or modify the adversary system of politics, but as you observed previously, I think it was on Tuesday, when the hon. member was Prime Minister it was he who contributed to ten years of suffering by the Opposition; he helped to promote the adversary system of politics in this country. He has been known not to speak to people on this side; he does not even eat in the lunch room with us. How can he come in here and complain about adversary system of politics? He called a State Funeral for the late Sir Grantley Adams and then did not even attend. You invite somebody to your house to a party and then go out and tell him to leave the house. That is what he did. I am not getting into too much of that. I am answering the allegations made by the former Minister of Finance because I am not afraid to argue with him. Others may be but not me.

I will come to economics later on. I do not profess to be any expert in economics, but like the Leader of the Opposition I have some commonsense when it comes to economics, and I have a little bit more than commonsense in law.

The third point was to deal with inconsistencies in the Economic Report. Now it is to my knowledge that the Prime Minister himself will reply to the allegations about inconsistencies on pages 11 and 16 of the Economic Report, but there is one observation I have to make for the benefit of all in this Chamber. On page 16, Table II, dealing with net increase in population, it is my submission that these figures could not be related to the Continuous Household Sample Survey, and I believe that is where difficulties arise in the interpretation of the figures, and I go further, that is where the misinterpretation has been engendered in the mind of the hon. member for St. John. It is significant that neither Table II which says "Net Increase of Population 1970-1977 as at December 31" nor does

the Table opposite page 11 say "Based on the Continuous Household Sample Survey". The table dealing with the adult population in private households by activity Studies for the periods January to June 1977 and January to June 1976 has a notation on it "Based on the Continuous Household Sample Survey" which is a different notation from that appearing on Table II, and it is clear that the figures extracted in Table II were not taken from the "Continuous Household Sample Survey" and therefore there would be a difference in the analysis that would be extracted, and it is clear that the hon. member for St. John has not paid attention to that.

Now the fifth point that was dealt with by the hon. member for St. John was one dealing with the extended family, and we had an excursion into our origins back to Africa and how if you are late in Bridgetown a night you can find somebody who is related to the family who would let you stay overnight and give you something to eat the next morning. But the burden even in that context of the hon. member's contention was that in 1976 the now Government when it was in Opposition had cheered and laughed at the high level of unemployment which he had given to the House in his Budgetary Proposals in June or July 1976.

Mr. Speaker, with you I was a member of the then Opposition. The Opposition did not laugh at the high level of unemployment; the Opposition were critical of the then Prime Minister for revealing the figure of 22% when it was he who had promised full employment by 1976, and in the same year of 1976 he was reporting a very high figure for unemployment in this country.

Well, the sixth point was to do with the public sector and Government employees. His criticism was that the four day week which is imposed on certain categories of MCW workers means a 20% reduction in earnings. He has failed to tell the House that in 1973 some 472 persons were sent home from MCW, not on a four day week, but sent home to idle, not to draw a cent at the end of the week by the then Minister of Communications and Works, now the Leader of the Opposition. There was not a 20% reduction when 472 persons were sent home; there was a 100% loss. It took me last year to write a letter to the Advocate...

Mr. SPEAKER: Did you say 486 workers?

Mr. SIMMONS: I thought it was 472, but if Your Honour is correcting me that it was 486, I am grateful; but it was well over 400. I got the figures from MCW myself and wrote a letter to the Advocate and it was published and nobody draws that to the attention of the public. If you are going to be fair, let us be fair. This has not been a wholesale redundancy of workers at

MCW. It is a cutback admittedly, but what happened in 1973?

The Prime Minister has made the point up to a few weeks ago on television that it is not intended that the persons who are now offered a four day week will remain forever as four day a week workers. It is a temporary measure and if the economy continues to grow at the level which is recorded in the Economic Report for this year, then obviously as things improve, the people will be restored to a full five day week. Certain drastic action has to be taken some time to set right the country's economy, and people feel that because you have to take very stern, stringent measures which will lead to unpopularity that you should abandon it for the sake of popularity. I want to make it clear that I said in 1976 that I do not want to be a popular politician. I want to do what is right, and I find that all of the other fifteen members on these benches — because Your Honour maintains the very high position and do not interfere or get down into party politics activities — but all of the other members of the regular parliamentary party agree that we have to do what is right for the country even if it costs us our seats.

4.10 p.m.

Towards the end of the speech there was criticism of gardeners, there was talk about blowing your nose in Kleenex instead of using handkerchiefs, because there is a tax on handkerchiefs. Let us look at what happened in 1962 when the then Minister of Finance, the Premier, I think he was in those days, was presenting a budget to the country, and, Mr. Speaker, I wish to quote from the Official Report of the House of Assembly, Session 1962, 26th June, 1962, page 510 *et sequentes*. (*Asides*). Mr. Speaker, I did Latin and achieved "A" Level in Latin, and I can speak *a fortiori*. At page 513 these are the words of the hon. member for St. John:

The excise duty on rum in Barbados is very low compared with that in other countries. It is \$3.90 per proof wine gallon; and there has been no increase in this duty for ten years. There is also a "licence" duty of eight cents per proof wine gallon on all rum distilled in the island, whether it is exported or consumed in the island. The excise duty is, in effect, \$3.98 per proof gallon or about \$3.08 per liquid gallon which is under proof.

The excise duty in Trinidad is \$9.66 per proof imperial gallon equivalent to \$8.05 per proof wine gallon. I do not propose to increase the local duty to that figure, but to put it at \$7.32 plus the eight cents licence duty or \$7.40 per proof wine gallon in all. This is equivalent to \$5.74 a liquid gallon or an increase of about

\$2.65 per liquid gallon. This increase will take effect as from tomorrow, and, when existing stocks are exhausted, the price of rum may be increased by four cents a half gill or what we call a "shot", eight cents for a "bishop". (*Laughter*).

He doubled it from \$3.90 per proof gallon in 1962 to \$7.40. That is sixteen years ago, Sir, so don't let me hear anybody, or see nonsense in the Press about the rum gone up a penny a gill, and it hard, remember what he did, the member for St. John, sixteen years ago. Write about us and write about him, too. That's what he did in 1962, so don't tell me that this budget is hitting the poor man because a little thing has gone on on rum, because he did it in 1962.

That is one, Sir. Beer and stout. "The consumption of beer varies from year to year." These are the words of the then Minister.

The consumption of beer varies from year to year. In the past, about 375,000 wine gallons of beer and stout were imported annually but in 1957, our record sugar crop year, and in the year following, the annual figure rose to about half a million gallons. In 1961, local brewing having begun, — we imported only 264,387 gallons, of which 248,788 gallons were duty paid and entered for home consumption.

What he did, Sir, in respect of beer, you had a local factory — Banks (Barbados) Breweries — that was set up the year before he introduced this budget, and look what he did.

It is equitable that the duty on beer and stout, including ale and porter, should also be substantially increased.

That is beer and stout, he said it was equitable, that the people were drinking beer made by the beer factory, and he said it was fair that the duty should be increased.

At present there is an excise duty of only 12 cents per gallon of wort of a specific gravity of 1,050 degrees or just under a cent a bottle of ten ounces. There are also duties on imported beer and stout which are more than a dollar greater than the excise duty to protect local industry. These duties are \$1.13 and \$1.20. In order that revenue may be raised without affecting the protection given to the local product, although from the results it seems to have been more than sufficient, I propose that there should be a consumption duty on all beer and stout consumed in the island of \$1.03 per gallon. This duty will be payable as from tomorrow and may increase the price of a 10 ounce bottle by eight cents.

That was 1962, eight cents then. Two cents now on a gill of rum.

Now, at page 514, Sir. There was some Committee down here in 1962 called the Orion Committee which recommended a tariff for the West Indies. Look what he did, Sir.

"Eggs in the Shell" and "Eggs not in the Shell, liquid, frozen or dried" at 10% preferential and 15% general. I propose that these rates be charged in Barbados as from tomorrow.

That would be the 27th June, 1962. Eggs in the shell? I have never seen eggs out of the shell except they are in the pan when they are being fried, but even then, eggs in the shell and eggs not in the shell, liquid or frozen. You talk about the member for St. Thomas being hard? Look who was hard, he was like granite.
4.20 p.m.

Now, Sir, the gin and vodka. We harmonised the duties on them just as the Prime Minister and Minister of Finance said yesterday. Now listen to this: In 1975, you were then in Opposition, Sir, and you will recall that the people in this country were asked to carry the burden of an imposition of duties on 372 items. In the law book it is one separate volume. Look what the Minister did in 1962 — I hear you cannot sneeze or cough. For some obscure reason certain commodities are not subject to surtax under the Revenue in Aid Act. The Act does not apply to the following: "Tobacco of all kinds: snuff" — you cannot sneeze. In those days he was hitting snuff, in 1962. Brandy, Whisky, Gin, Rum, Cordials and Liqueurs including Bitters, Wine and Malt Liquors. The 10% surtax was going on all these things. Motors cars in 1962, trucks and omnibuses, parts and accessories to motor cars, tyres and tubes. The poor fellow riding a bicycle had to pay 10% more since 1962. But you were complaining then of similar economic difficulties. Electrical apparatus and appliances. Now hear this one Sir. Wood.

Mr. SPEAKER: The Leader of the Opposition had an opportunity to rise and address the Chair — had an opportunity. I am inviting him at this stage to desist from interrupting, for the benefit of the Hansard reporter.

Mr. SIMMONS: Mr. Speaker, I was dealing with wood. A 10% surtax was imposed on wood and timber, such as pitch pine, dressed and undressed, other kinds of unmanufactured wood and timber except purple heart, greenheart, something called bullet wood, fustic and locust dressed and undressed, hooks and staves, glass bottle and animal lard. That was a comprehensive Budget in 1962. Those are the commodities on which no surtax was imposed by the Revenue in Aid Act

1941–45. On most of the imports the surtax is 10%. There are, however, some on which the surtax is 20% and I propose that the surtax on some of the articles which I have mentioned should bear the same rate of surtax of the lower rate of 10% instead of not paying any surtax at all, so that those who do not pay surtax come in at 10% minimum, including things like wood for people to build houses. Let not the Opposition go out and tell people that because there is a little increase on Kerosene oil that we are going back to the wood days, that we are going to burn cow dung as you were saying in St. Philip. Do not tell the people that; I will tell them that you were trying to prevent them in 1962 from building even a wooden house by increasing the surtax by 10%, because I am with this from now until the bell rings and the class door is shut, because I know the propaganda will start. It might have started at Gall Hill already if we had not announced that this debate was taking place yesterday and today. It is not a question of adversary politics, but I will argue strongly and not let you get away with anything.

Now, Mr. Speaker, having dealt with the hon. member for St. John I wish now to look at the proposals of the Prime Minister in brief outline. It is well known that the country has been going through economic trauma since 1973. Nobody is saying that the trauma is exclusively of the making of the members of the Opposition. It has been attributed that they did not do enough after the oil crisis in 1973 to arrest the downward decline of the economy. But even if blame is to be apportioned, I am not apportioning blame now; I am accepting the proposition that things were bad in the country between 1973 and today.

The former Prime Minister said that he took corrective action. It may be that he took corrective action but it did not bite. The present Prime Minister and Minister of Finance is not afraid to take corrective action, and we are saying that the action which he has taken, even though it may be unpalatable even to us in the party because it is delaying the day when we can take off and implement some of our big Manifesto policies, we must be satisfied with the action and results taken by the Government because assuming this Economic Report is worth the paper it is written on, — there was some criticism of it — there was real economic growth of 5% in the economy, which compares very favourably.... (ASIDE) The hon. member for St. Michael South West is pointing at me and showing me three fingers; he is not being rude, he is telling me 3%. But the summary says that during 1977 the process of economic recovery which began in 1976 continued. Provisional Estimates of the Gross Domestic Product indicate that real output in 1977 grew by nearly 5% over the level of 1976. Do not worry to tell me about provisional estimates because I will go back to the historical document of 1962 delivered in June, and

you will see that in there the hon. member who criticised the present Prime Minister for bringing the Economic Report and the Budget early, himself in 1962 was saying certain of his Estimates were provisional, even in June. I will read it into the record. On page 511, in the middle of the page....

Mr. SPEAKER: Page 511 of what?

Mr. SIMMONS: Hansard 22nd June, 1962. The hon. member then said this: "The Treasury outturn for the year 1961-62 — these are the provisional figures and they are reasonably accurate, but obviously there are still one or two returns which we would hope to come in shortly". In June 1962 he was talking about provisional figures but yet he has come here today and accused the Prime Minister of making a speech and making a forecast predicated upon provisional figures in April and recommended....

Mr. SPEAKER: The hon. member's winding up is now certain, not provisional.

Mr. SIMMONS: I was now starting to wind up, Sir. Mr. Speaker, I wish to compliment the Government for the introduction of housing development bonds. For a long time there has been need for greater stimulus to be given to housing, provided that adequate land is made available well in advance so that proper planning can be done, and this scheme can accelerate the quantum of housing construction in Barbados.
4.30 p.m.

If a land bank is not created, we will end up with money and no land. So let us have the planning properly done, and I am calling on the Minister of Lands to acquire land well in advance in any areas that are designated for development. Let us put in the primary services like roads and so on, and then the programme of construction can start. Otherwise, it will continue to be the haphazard operation as it has been in the past. I wish finally to say that whoever was responsible for the figures in the housing section of this report owes the public of Barbados an apology. The correct figures are now in this report. There are 292 houses built uncompleted. That is at the stage when the electrical certificate is granted. There were 292 built in 1976, 223 built in 1977, but at the same time 42 persons between January and December 1977 were removed, re-housed, recited and in some cases rebuilt at Clapham Park. So in essence there was a construction of about 265 houses, Sir. You also have to take into account certain debts that National Housing was paying off as a result of poor management in the past and the vast arrears which were accumulated over the years before this new administration took over.

Mr. SPEAKER: And, in ending your debate, you will remember the parish of St. Peter.

Mr. SIMMONS: Sir, as the hon. member for St. James would say, I have you make up long time in the planning. *(Pause)*.

Hon. H. B. St. JOHN: Mr. Speaker, as I understand it, no other hon. member seems to wish to make a contribution. *(ASIDE: Question)* Under the Rules the Prime Minister and Minister of Finance is entitled to make a final reply; and since there are no other hon. members who wish to speak, I beg to move that we suspend for a short time so that CBC can make the necessary arrangements.

Hon. F. G. SMITH: Mr. Speaker, he cannot just come through the Lobby and make a proposal like that. There is nothing in the Rules saying that he has any right to reply.

Mr. SPEAKER: On what does the hon. member rise?

Hon. F. G. SMITH: I am about to speak.

Mr. SPEAKER: On what?

Hon. F. G. SMITH: On the Budget. I am entitled to speak. I have not spoken yet.

Mr. SPEAKER: The Leader of the Opposition will hear the Chair now, and I hope that he will abide by the rules of the House.

Hon. F. G. SMITH: I am not losing my right to speak. I want to speak on the Budget Debate.

Mr. SPEAKER: You will please take your seat. Before the hon. member for St. Philip North spoke, I made a diligent enquiry of whoever was in their place. I inquired if there was any hon. member who wanted to exercise his right to speak. *(Hon. F. G. SMITH: You did not. Of whom did you inquire?)* All members of the Opposition who were in their places including the Hon. Leader of the Opposition who was in his place, and including the hon. member for St. Michael South. I waited. *(Hon. F. G. SMITH: There are members on the Other Side too. You do not have to wait on the Opposition)* It is not a question of waiting on the Opposition. Do not argue with the Chair. If you are not satisfied with what the Chair does, move a substantive motion.

Hon. H. B. St. JOHN: Mr. Speaker, my understanding of the situation was that after the hon.

member for St. Philip North had made his speech that there was no other hon. member who was prepared to speak. In truth and in fact when I came back in here I said — I prefaced my remarks by saying that I understood that there was no other hon. member who wanted to speak. The hon. member from his chair said "Question".

Mr. SPEAKER: He is not going to speak.

Hon. F. G. SMITH: This is one time that you will have to put me out. I have a right to speak and I demand it.

Mr. SPEAKER: The Hon. Leader of the Opposition will please take his seat.

Hon. F. G. SMITH: I have the right to speak and I demand it.

Mr. SPEAKER: All that you demand, you please take your seat. Once, twice.

Hon. F. G. SMITH: I will take my seat. (*asides*)

Mr. SPEAKER: I wish to draw to the attention of the Hon. House the conduct of the Leader of the Opposition.

Hon. L. S. CRAIG: Mr. Speaker, I understand that there is a motion before the House. I want to be very fair in this. Earlier you went out of your way to ask the Other Side as well as this Side if they would like to make a contribution. Further Sir, you went to the Clerk and enquired of the Clerk. You went further Sir, and the Leader of the Opposition said you cannot ask if he wants to speak. You extended the courtesies far beyond your power. The member for St. Philip North got up and he addressed the Chamber. I came back in here and almost four minutes lapsed. Not a single word came from the Other Side. I went into the smoke room and called on the Leader of the House. At that time the Leader of the Opposition was in his Chair shouting "Question", which means that you are to put the question. I understand that at this point the Leader of the House then came to move the suspension; and I am seconding the motion for suspension for whatever time the Leader of the House feels that it should be. It is as simple as that. All the bad behaviour that the Leader of the Opposition would like to go out on, let him go out on. Do not blame us. Blame your side. If you had to import somebody to reply to a Budget Speech, that is your dead, if the others are not capable — that is all it is, Sir. The conclusion is over there. The hon. member for St. Michael South West was called upon yesterday to speak, but they had to import a man to speak. When the present Prime Minister was out of Barbados I delivered the Budget Reply. It is not any big thing. A

lot of half baked political drags out there do not know what is going on.

Mr. SPEAKER: Well.....

Hon. L. S. CRAIG: I withdraw.

Hon. H. B. St. JOHN: My understanding is that the Hon. Acting Leader of the Opposition would like to speak I have no objection.

Mr. SPEAKER: With due respect to the Leader of the House the Debate on the Budget is finished except for the Hon. Prime Minister winding up in reply. In this House, as long as I remain in this Chair.....

Hon. F. G. SMITH: Speaking on this motion before the House, what are we having here? A Mussolini type of operation?

Mr. SPEAKER: The Leader of the Opposition must withdraw that remark about a Mussolini type of operation forthwith.

Hon. F. G. SMITH: I withdraw it forthwith. What are we getting? There is the Government and the Opposition, both sides watching the other. The member for St. Philip North gets up to speak and he finished. In comes the Leader of the House through the door and said that he understood that nobody else wanted to speak. Whether I said "Question" or not, the question was not put. That does not rob me of my right to speak or any other member of the Opposition. The debate is carded for two days. If you are not stopping me somebody is stopping me. If the Leader of the House is not stopping me, tell me who is stopping the Leader of the Opposition from speaking.
4.40 p.m.

Hon. H. B. St. JOHN: Mr. Speaker, I had moved the suspension for ten minutes.

The question that the sitting be now suspended for ten minutes was put and resolved in the affirmative, the House dividing as follows:

Ayes: Hon. H. deB. FORDE; Hon. H. B. St. JOHN; Hon. C. L. BOLDEN; Hon. L. B. BRATHWAITE; Hon. Miss B. MILLER; Dr. CHELTENHAM; Mr. SISNETT; Mr. JOHNSON; Mr. ALLEYNE; Mr. SIMMONS; Hon. L. R. TULL and Hon. L. S. CRAIG — 12.

Noes: Mr. TAITT; Mr. GREAVES; Hon. F. G. SMITH and Mr. SANDIFORD — 4.

On Resumption:

Mr. SPEAKER: This sitting is now resumed.

Hon. F. G. SMITH: Mr. Speaker, I think when the suspension was taken I had asked Your Honour to be allowed to speak in this particular debate.

Mr. SPEAKER: I have already ruled that the debate on the Budget is finished with the exception of the winding up speech by the Rt. Hon. Prime Minister.

Hon. F. G. SMITH: You see how you get sent out of this House? Just for asking.....

Mr. SPEAKER: Will the hon. member please take his seat?

Hon. F. G. SMITH: No, no. As soon as I disobey you I have to go. It is as simple as that. Good God; there must be a God in Heaven or justice somewhere on this earth. Do you mean Parliament is becoming a Hitler, Mussolini, bulldozing type of approach? Where do we go from here?

Mr. SPEAKER: Will the hon. member please take his seat? I am not going to ask you to withdraw these remarks again.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, do I take it that at the end of the speech of the Hon. Deputy Prime Minister and the hon. member for St. Philip North nobody rose and Your Honour called for speakers and there were no speakers? Because I cannot understand what has been reported to me. If the Opposition are afraid of my reply to the hon. member for St. John and tried to take advantage of my absence from the House to close the debate so that I would not be able to refute the untruths, the falsehoods and the abuse with which he regaled the House today, I do not see how the Opposition can now get up and having failed in their tactics, try to take advantage of a situation they have brought on themselves.

Mr. SPEAKER: I hope the Prime Minister is now not replying finally.

Rt. Hon. J. M. G. M. ADAMS: Of course not. I am speaking on a point of order.

Hon. F. G. SMITH: On a point of order, we have accepted the right of the Prime Minister to reply. We have not denied you that right and it is traditional and will go on. We are challenging the right of the Opposition to get a say. You cannot tell us that the Opposition after fifteen years in Government are so ignorant or devoid of policy that only one man can speak for the Opposition. What nonsense are you telling this country?

Hon. H. B. ST. JOHN: Mr. Speaker, I want to talk on this. Nobody as you know has respect for the dignity of the Office of Speaker, and on this occasion I know that Your Honour acted perfectly correctly because when I came back in here I said quite clearly that I understood that no other hon. member wanted to make a contribution. We knew that the Leader of the Opposition from his chair did say "Question". Those are the facts, but my understanding of the position now is that when he said "Question", it was a spontaneous reaction at the particular period of time and that he may have been labouring under the impression that the Question had to be put and forgetting the fact that from the very commencement the one thing we did not want to happen in this debate was to have any procedural technicalities. That is why I said so at the beginning. I said at the beginning that we had a motion which we said we wanted to found the debate, because in our opinion the Rules were defective.

I know it is a very hard thing to ask somebody occupying the august office of Speaker to concede to the other side, despite the fact that you are 100 per cent right, but we really do not wish now that the Other side has indicated that they want to make a contribution, despite the appeals we have made, to close them out, and I have asked the Prime Minister and Minister of Finance who under the Rules is entitled to the right of reply to give way, and he is willing to give way, but of course we are all in the hands of Your Honour. In any event the facilities for the broadcast are not quite ready and the Minister of Finance is willing to give way, and in those circumstances, without in any way detracting from Your Honour's unquestioned rights. I take it that the hon. member on the other side does regret certain statements that had made in the heat of passion, and I believe that bearing in mind these factors, perhaps Your Honour despite your rightness may be willing to accede to the request of this side and the willingness of the Minister of Finance to give way. 5.05 p.m.

Rt. Hon. J. M. G. M. ADAMS: Now that I have an idea about it. Sir, I didn't even know that the Leader of the Opposition had cried "Question". I mean, what does "Question" mean except hurry it through before Tom can get back? What else could it mean? But anyhow, Sir, I believe that traditionally where these things arise the occupant of the Chair has always allowed the mover of the final reply to hold back the reply if he thinks that somebody was genuinely intending to speak but was unable to speak, and in the circumstances, having heard the Deputy Prime Minister, I would be quite willing to give way and let other hon. members exercise their right to intervene in the debate before I reply. I know it is done in here quite often, Sir, people get up to reply and then you hear that somebody didn't get his chance, and occasionally in the

old regime even, Sir, magnanimous Ministers were known to take their seats and allow a speech to be made, and I don't think we should be any less magnanimous in this particular instance. I will give way, Sir, if hon. members want to speak.

Mr. SPEAKER: I respect what the Hon. Leader of the House had to say, and what the Rt. Hon. Prime Minister has had to say. The Prime Minister is willing to give way, but the way is not now for him to give. I have already ruled that debate on the budget is finished except for the winding by the mover of the Resolution, which is the very Prime Minister. I shall not be moved.

Hon. F. G. SMITH walked out of the Chamber.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker — God bless you — I believe that the Leader of the House, my colleague, has intimated that he would like to have the House suspended until 8 o'clock tonight which will give enough time for the operators and so on to come in.

Hon. C. L. BOLDEN: I beg to second that.

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

5.10 p.m.

On Resumption:—

Mr. SPEAKER: This sitting is now resumed.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, in accordance with your ruling I am preparing to present final reply.

Hon. F. G. SMITH: Mr. Speaker, I just want to know if this part of the proceedings is being televised, I would just like to know. If the Prime Minister's reply is being televised, that's why the lights are on.

Rt. Hon. J. M. G. M. ADAMS: Sir, what has happened? I have come here prepared to reply because of what happened this afternoon because of a ruling. I was told that the Hon. Leader of the Opposition wished to offer an apology to Your Honour. He has got up to ask if this part of the proceedings is being televised, the only part of the proceedings that can be going on now in the absence of a different situation is the final reply. Is it that the Leader of the Opposition wants to apologise but doesn't want to apologise before the television cameras? Because he would only be seeking to humiliate Your Honour again.

Hon. F. G. SMITH walked out of the Chamber.

Rt. Hon. J. M. G. M. ADAMS: Sir, I don't know what Your Honour's frame of mind is, but this afternoon I indicated that I was prepared to give way and Your Honour, in my opinion, correctly ruled that there was no further way to give. No other hon. member has indicated that he wishes to speak.

Mr. SPEAKER: During the Recess several approaches from both sides of the House were made to me indicating that the Leader of the Opposition was sorry for what had taken place earlier in the day and that he was willing to tender an unqualified apology for his misbehaviour. I gave instructions that any such apology should be put in writing and I should be given a draft thereof for my approval during the recess before resumption. I came here expecting the Leader of the Opposition to tender the apology, a draft of which I now have in my possession. I find that the Leader of the Opposition has chosen to leave the Chamber rather than tender the apology.

Under the circumstances, I don't want to penalise other members either of the Opposition or of the Government because of the indiscretion and the like of the Leader of the Opposition.
8.10 p.m.

In view of the fact that the Leader of the Opposition is now absent and will not be part of this House for the remainder of the Sitting, if I can get the feeling of the House I am willing even at this stage to give some consideration in respect of those members who might want to speak.

Hon. H. B. ST. JOHN: Mr. Speaker, I am quite willing to move a motion if necessary that any hon. member who wishes to speak will be able to do so.

Mr. SPEAKER: I take it you want to move that the debate be re-opened.

Mr. GREAVES: Mr. Speaker, before you put the question I would like to exercise my right to speak on this debate. We on this side are glad that an opportunity has been provided to continue this debate and allow us to make our contributions on what is considered to be a very important aspect in the life of Parliament, that is, replying to the Budgetary Proposals of the Prime Minister. This morning the main spokesman for the Opposition made a number of observations on the Financial Statements and Budgetary Proposals relative to the kind.....

Hon. F. G. SMITH: *(Having entered)* Mr. Speaker, I should like to tender to you, now that I understand that this part of the proceedings is not being telecast — it is no part of the agreement — my unqualified apology for the incident which took place this

afternoon. As you are aware this is my last contribution perhaps, in my political life, to a Budget Speech in this country, and your ruling, with which I have no quarrel, may have motivated me to be somewhat rash in my attitude and conduct, and I should like to assure you that I have the highest regard for the Chair and that I am very grateful to you for the opportunity you are granting for a contribution to be made from the Opposition and from my side. I think you will agree that to apologise when you are wrong may be considered a sign of contribution and the sign of a big man, and I have no regrets in offering my sincere apologies for what took place this afternoon. My walking out just now was due to the fact that I thought the opportunity would have been taken, in breach of an agreement, to have this unqualified apology on the media. Not that I object to that, because it will be published tomorrow. But I have given it sincerely and I hope you will accept it in the spirit I have given it. I was under the impression that with the lights on this was an attempt to humiliate me. I think you know me, Mr. Speaker, that where I am prepared to acknowledge my wrong doings, I am not prepared to be humiliated by anybody in this country. I do hope you will accept my sincerest apology — as perhaps the oldest member of this House in the absence of the hon. member for St. John, since I came in here in 1956 — for what I consider was perhaps indiscreet conduct as you have referred to it.

Mr. SPEAKER: I accept your apology on behalf of the Chair and on behalf of this Honourable House, in the light of the prevailing circumstances. There is presently a motion before the House and if hon. members in the light of the apology we have just received wish to press on with that motion I am quite prepared to consider it. I do not want to prevent any hon. member from exercising his right to speak on that motion or any other motion. The hon. member for St. Lucy was addressing the Chair.

Mr. TAITT: On a point of order, Mr. Speaker, I just want to draw to attention that from where I sit the lights are hitting me straight in the face and cause my eyes to ache. If it does not create a problem may we have those lights turned off?

Mr. SPEAKER: You have been a television star for many years.

Mr. TAITT: Yes, Sir, but I did not face them like that.

Mr. SPEAKER: All right, we will look into this. The Hon. member for St. Lucy.

Mr. GREAVES: Mr. Speaker, as you can appreciate, from where I am sitting the lights are hitting me straight in the face and I would appreciate if they can be taken off. I have to refer to my notes and the lights are affecting me.

Now, as I was indicating, this afternoon we had a presentation from the main speaker from the Opposition on the Financial Statement and Budgetary Proposals.

Mr. SPEAKER: I take it you are speaking on the motion for re-opening of the debate.

Mr. GREAVES: No, Sir, I assume.....

Mr. SPEAKER: That is the motion before the House. The question is that the debate on the annual Financial Statement and Budgetary Proposals be re-opened.

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

Mr. SPEAKER: Is there any hon. member who wants to exercise his right to speak?

Mr. GREAVES: Mr. Speaker, when one examines the Financial Statement and Budgetary Proposals there are a number of matters which arise and one must ask a number of important questions. First I would like to refer to the question of unemployment which as you are aware is something of extreme importance in this country, that is, the eradication or reduction of unemployment in Barbados. You will recall that last year from the 1977 Budgetary Proposals and the subsequent discussion which took place on the proposals, one got the impression that this Government pinned its hopes almost entirely on an improvement in the employment situation in this country. You will also recall that the Prime Minister in his 1977 Budgetary Proposals went so far as to impose what he called an employment levy with a view presumably to try to raise money to alleviate the unemployment situation. But what do we find now in 1978 after, as I said, one had got the distinct impression that the Great Combination — as they call themselves but which I believe the people of this country have come to realize is no longer a Great Combination or perhaps not even a combination, because of their inability to solve the present problems facing the country, and unemployment is one of them — one would have thought that after all the hullabaloo which was made about the great solutions which the Government was implementing to bring down unemployment, we would have seen some great change in the unemployment situation. And here when we look at the Economic Report and the Budgetary Proposals of

the Prime Minister one will see that very little change has taken place in this particular area so that we can see very clearly that the image of the Government has been tremendously dented so far as this particular area is concerned, because it would seem to us from an analysis and from looking at the economic survey that far from the unemployment situation getting any better it has got quantitatively worse.

8.20 p.m.

This leads us therefore to the very important fact as to ask what has become of this employment or unemployment levy that was imposed in 1977. We should get some indication about the amount of money which had been collected since the levy was introduced. We want to know something about the legislation which we were promised since the Budgetary Proposals were introduced in 1977. The legislation covering the implementation of this levy. We have not seen any of this yet. Further more, we would want to get some indication as to the number of jobs which has been created as a result of this levy.

What therefore we would want to say is that it would seem as if the Government after having expounded the theory of the Employment Levy has found itself in a great deal of difficulty to have it properly implemented; and one heard yesterday the Prime Minister making a reference to some of the uses which he expects to make of the levy, but again, this is not particularly clear. The conclusion that one can come to on this particular matter is that the levy is only another way of raising revenue. It was another stark and simple taxation measure.

I am sure that the question of unemployment has been dealt with very fully by the hon. member for St. John who was able to demonstrate the number of inconsistencies in the Report which was laid in this Chamber on Tuesday, the day before the Budget Proposal, and that gave us a very clear indication as to what was happening. We do not want to dwell any further on that particular point, and therefore I want to move on to other areas which have been covered in the Budgetary Proposals; and I would want to refer rather briefly to the section dealing with National Insurance.

You will recall, Mr. Speaker, that the Prime Minister indicated that the National Insurance Funds, some of the National Insurance Funds were going to be used to help the Government out of its deficits difficulties. I believe that the figure that was mentioned that he was going to borrow from the National Insurance Fund for this particular purpose is in the vicinity of \$15 million. He also indicated...

Mr. TAITT: Mr. Speaker, a point of privilege as arisen suddenly under the Standing Orders. It has come to

my knowledge, Mr. Speaker, that the proceedings of this Honourable Chamber that part of the point when Your Honour was addressing this Chamber, when my colleague on my right, the Hon. Leader of the Opposition was tendering an apology in this House to Your Honour under the terms of my understanding those proceedings were videoed. They were taped by unauthorised persons. I am saying that I have learnt of my own knowledge that a tape of the proceedings have been made. This is not heresay. I am saying to this Honourable House that the privilege of this House has been breached. It has been breached in certain circumstances which I am sure Your Honour would deplore; and I am sure that hon. members of this Chamber would feel that this is one of the worst things that could happen when hon. gentlemen gave their word on a matter like that, and that sort of thing could happen.

This is not, Sir, a question of the Government or the Opposition. It is not a question of the BLP or the DLP. It is a question of the ancient rights of this Honourable Chamber which we have been struggling to preserve from the time that Barbados was, and which we as an independent nation, must stand up and speak against; and on behalf of the persons in the constituency of St. Michael South West who asked me to come here and represent them, Mr. Speaker, I ask that all those persons who deliberately or otherwise might have breached the privileges of this Honourable Chamber be brought before the Bar of this House, and all the appropriate steps be taken. I consider this the worst thing to have happened in the history of this country, in terms of parliamentary democracy; and I am sure that hon. members on both sides of the House would join me in deploring what can only be described as a despicable act. I am not prepared to say that those persons who handled the cameras did so deliberately to breach the privileges. But you know, Sir, that if a man kills another one and he did not mean to kill him...

Mr. SPEAKER: I want the hon. member to state his breach of privilege and stick to that.

Mr. TAITT: Yes, Mr. Speaker, I was merely trying to give an illustration. I feel very deeply on the matter. Mr. Speaker; and I draw to your attention that the privileges of this House have been breached.

Mr. SPEAKER: My reason for asking the hon. member to state it and succinctly is this: in view of what has been said already I feel it my duty to ask him to state as quickly as he can what he has to say; so that I might be able at this stage to order an investigation immediately.

Mr. TAITT: Mr. Speaker, in the light of your predisposition, I need go no further except to state categorically our complete revulsion at this breach of

privilege of this ancient and honourable Chamber; and Mr. Speaker, sir, if on this question of privilege it is not improper, I would move that we have a suspension of the House until this matter has been properly clarified.

Mr. GREAVES: I beg to second that.

Mr. SPEAKER: I cannot entertain your motion for a suspension. I must warn you as to this. The matter, that *prima facie* a breach of privilege has been committed must be referred to the Committee of Privileges. I feel it is my duty in the light of what the hon. member has said that we should set about to institute an investigation without any delay whatsoever.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, what exactly is the complaint? I may have some idea to assist hon. members.

Mr. SPEAKER: We are dealing with a complaint by the hon. member for St. Michael South West about a breach of privilege, that the proceedings of this Hon. House when the Leader of the Opposition was tendering his apology, that at that time the proceedings were taped by television and radio.
8.30 p.m.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, is that not a matter which is in your hands? Your Honour gave permission for my reply to be broadcast. We cannot be responsible if a matter is interrupted by procedural wrangling. This often happens in here and I have never known it raised as a matter of privilege in here before. One year I got up to reply and Joy Edwards was in front of the TV cameras, kept it going for twenty minutes and refused to let me make my reply, and nobody said it was a breach of privilege. Permission was given for a reply and the TV was here for the reply.

Mr. SPEAKER: I have given an opinion that the complaint will be investigated.

Rt. Hon. J. M. G. M. ADAMS: There is some rule that procedural interruption of a matter agreed to be televised is a breach of privilege? I have never heard that yet, Sir. Anybody is entitled to interrupt any hon. member on a point of order, a point of privilege and if the TV cameras are in here and see the interruption, the Rule of the House, the custom of the House, the tradition of the House has always been that the proceedings are carried in full in the course of the permitted speech.

I rose to reply and from that moment the TV cameras if they were on were in order to be on and within the permission which you had granted. I have never heard that yet. Hon. members are permitted to interrupt me tomorrow and as far as I am concerned, if

they interrupt and say something, if there is a matter of privilege which arises, it can be broadcast, I do not mind. What are hon. members objecting to now?

Mr. SPEAKER: The hon. member for St. Lucy will continue his address.

Mr. GREAVES: Mr. Speaker, I want to say that we feel deeply hurt about this particular matter, and I would very much like to continue, but in view of the very serious breach of an arrangement which has been made and an understanding, I do not see how I can continue in these circumstances because here it is that one tried for well over an hour to get this matter straightened out and we came back here only to discover that....

Mr. SPEAKER: On what is the hon. member now speaking?

Mr. GREAVES: I feel very hurt....

Mr. SPEAKER: On what is the hon. member now speaking?

Mr. GREAVES: I would like to move that....

Mr. SPEAKER: On what is the hon. member speaking?

Mr. GREAVES: I would like to move a motion that this Sitting be suspended until tomorrow.

Hon. F. G. SMITH: I would like to second that. I would just like to say that sometimes in one's life one begins to wonder with whom you are dealing. When I walked out of here this evening and I listened to what Your Honour had said, I came back in to tender my apology and I was suspicious that these cameras were on. I am not afraid to get on T.V. I have apologised many times in my life, but my temptation would be now to withdraw my apology, which I would not do, but I would withdraw it unqualified like I gave it before, because that is a breach of faith, and if you think it is going to enhance your reputation over there by sending me out on TV and radio as apologising to the Speaker at my time of life, well good luck to you. But this goes deeper than that, and I am surprised to hear the hon. member....

Mr. SPEAKER: The Hon. Leader of the Opposition is now in contempt of this Honourable House.

Hon. F. G. SMITH: In what way?

Mr. SPEAKER: Do not question the Chair.

Hon. F. G. SMITH: I am not conscious of being in contempt. Just tell me how I am. What I am saying is that you begin to wonder with whom you are dealing:

people who cannot keep their word, people who try to humiliate you. I walked out because I was suspicious and I came back in here to tender an apology to you which is put out on the TV camera.

Mr. SPEAKER: The Hon. Leader of the Opposition is further in contempt.

Hon. F. G. SMITH: In contempt of what? Tell me what is contempt; to say that this Government has deliberately committed a breach of faith, or some of them, or their employees by putting on video tape an apology I made to you as Speaker of this House, who as all good Speakers, is not the master of this House but the servant of the House, and especially when I went out because I was suspicious of the lights, but I came back in out of respect for you, and then lo and behold....You know I praise God I am an independent man in this country, because things like this.....You know if I wake up the same way I feel now tomorrow, I will leave this House because you cannot trust anybody at all.

Mr. SPEAKER: On what is the hon. member addressing the House?

Hon. F. G. SMITH: On what I consider a despicable, contemptuous almost obnoxious type of behaviour by the employees of this present Government or whoever is responsible for the breach of privilege.

Mr. SPEAKER: I would like the hon. member to understand that there is no employee of this Government who is a member of this Honourable House as such. I just do not understand what he is talking about.

Hon. F. G. SMITH: Let me explain to you then.

Mr. SPEAKER: I would prefer if the hon. member does not try to explain today or tonight.

Hon. F. G. SMITH: You said you do not understand and when I try to explain to you you do not want to hear. What can one do? Even the Government members over there and the hon. member for Christ Church East.....

Mr. SPEAKER: I am begging the Hon. Leader of the Opposition to understand....

Hon. F. G. SMITH: It is disgusting with this type of thing and hon. members on that side are totally disgusted. Even the Leader realises it is a breach of faith, but as I say, what can you do? You can only leave this House because you cannot trust anybody in here.

Mr. SPEAKER: When the Leader of the Opposition says "you cannot trust anybody in here", I am calling on the Leader of the Opposition to withdraw those remarks immediately.

Hon. F. G. SMITH: I am not talking about you, Sir. But the Prime Minister has tried to justify it, so I cannot trust him.

Mr. SPEAKER: The Leader of the Opposition must withdraw those remarks immediately.

Hon. F. G. SMITH: I withdraw them, Sir, but since he gets up and defends it I cannot trust him.

Mr. SPEAKER: The Hon. Leader of the Opposition must withdraw those remarks; they are offensive.

Hon. F. G. SMITH: That I cannot trust the Prime Minister? Why a lot of people do not trust him.

Mr. SPEAKER: The Leader of the Opposition must withdraw those remarks.

Hon. F. G. SMITH: Which remarks, that I do not trust the Prime Minister? I withdraw them then.

Mr. TAITT: Mr. Speaker, on the motion before the House that the House be now suspended...

Mr. SPEAKER: Which motion?

Mr. TAITT: As I understood it a motion was moved.

Mr. SPEAKER: The hon. member must learn to read his rules and to understand them. I cannot entertain such a motion.

Mr. TAITT: I am seeking your guidance.

Mr. SPEAKER: The Standing Orders state that such a motion would have to be moved by a Minister.

Mr. TAITT: I am aware of the Standing Orders.

Mr. SPEAKER: You are aware of the Standing Orders and you still rise to speak on that motion?

Mr. TAITT: No, Sir. I rise to get the guidance of the Chair. (*Asides.*)

Mr. SPEAKER: Let us have some order, please. Is there any other hon. member who would like to exercise his right to speak on the Budgetary Proposals?

Members of the Opposition left the Chamber.

Mr. SPEAKER: Is there any other hon. member who would like to exercise his right to contribute to the debate before the Prime Minister makes his final reply?

Hon. L. S. CRAIG: Mr. Speaker, I have no desire to speak, but I think the Prime Minister is awaiting the

cameras to go on since the idea is that it is going to be carried on television.
8.40 p.m.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I see no sign that any other hon. member wishes to speak. First of all, I would like to say that I regret the confusion today as much as anyone else. It is confusion not of the Government's making, not of the making of any individual in the Government. There comes a time when the authority of the Chair has to be asserted, a time when the rules of the House have to be upheld and maintained. In recent months we have seen a number of cases of hon. members being called to order by Your Honour being asked either to sit down, to behave themselves, to withdraw remarks, or whatever, refusing to do it and walking out of the House. Your Honour has been very tolerant with these hon. members. We have had other situations where remarks of an offensive kind have been made about members of the Government, where the House has been thrown into uproar by procedural matters. I had never imagined that there would be a more walk outs by the Opposition since these last few months than in all the ten years which Your Honour and the hon. members for St. James, Christ Church South Central and myself spent on Opposition benches. I really regret these circumstances and regret that we have not had a full and complete debate on this matter during today and tomorrow. I really thought that I had given every opportunity to the Opposition to reply.

Naturally, Sir, I have not been present in the House for the whole of today, this afternoon I was trying to elicit certain facts in contradiction of allegations and statements made in the speech of the hon. member for St. John, and I heard that advantage had been sought to be taken of my absence in order to put the Question so that I would not have the opportunity to make a final reply. I gather from the apology which I heard this evening that the Leader of the Opposition was apologising for trying to take advantage of my absence but the last intervention we had from him was an appeal for sympathy.

I know, Sir, that Barbadians are very concerned with fairness and unfairness. I remember the wave of sympathy that went around Barbados during the most recent City bye-election when the then Government went out of its way to prevent the Barbados Labour Party from obtaining its booked sites for the final meeting. I can remember, I must say, Sir, that — and I can state this without any fear of contradiction — that so unfairly were we treated that a great wave of sympathy arose for us. I unfortunately think now that some deliberate effort is being made to carry on, it can't be Government by sympathy, but carry on Opposition by sympathy.

I have no doubt that Your Honour will make all due investigations of what has been complained of. I gather that the Leader of the Opposition complains that he did not know that his apology was being televised. I am not aware that an apology somehow is added further quality or had quality taken away from it by being made public. I have always thought that a private apology for a public wrong is sometimes worse than no apology at all, but I can only say, Sir — and I'm sure I'm speaking for the Leader of the House and all members of the Cabinet and members on this side — that we really have very great regret that for another year we have not been treated to a full budget debate. We have, however, had the benefit of at least one speech by the hon. member for St. John, the former Prime Minister and Minister of Finance.

There were many alleged facts in that speech, Sir, with which I will have to take issue, but I think that the best way I can deal with it is *seriatim*, in serial form. The hon. member took just under two minutes short of two hours to reach the budget. He spoke for one hour and fifty eight minutes first of all replying to last year's budget, then replying to his speech on the Estimates, and then replying to my reply of his budget of 1976, and this occupied him just under two hours. In the course of it his speech was as literally and liberally larded with abuse of public servants, of myself, of the hon. member for St. James, and to some extent of the public of Barbados, as was the speech in the constitutional debate of 1974. He started off by criticising early budgets — started off by criticising the Press, he started off on the Press, and then he came on to early budgets.

He said that it is wrong to have a budget before you have the out-turn figures, it is wrong to have a budget before you have the audited statements from the Auditor General. He said it is wrong to have a budget because you cannot calculate in April what happened in the previous year. Now I want to read, Mr. Speaker, from his own budget proposals presented on the 31st May, 1973. He said that he was happy to say on that occasion that he was able to return to the practice which he introduced as long ago as 1964 of laying before the House the Annual Economic Survey at the same time as the budgetary proposals and financial statement were being presented. And I quote, Sir: "In order to achieve this, it has been necessary in certain areas, for example, foreign trade, to present incomplete data for the year 1972, but I feel that it is better for the House and the general public to have a reasonably complete picture of the performance of the economy in the recent past as an essential background to the consideration of new fiscal measures, than to wait for a few more months in order to present the final data."

Now, the hon. member said that he would like to write a book, and in this book about me he is only going to present my own statements. He will publish one statement on the left hand side and another statement on the right to illustrate inconsistencies. Hon. members may well feel, Mr. Speaker, that no inconsistency in the speech of any member of this Government that he has been able to demonstrate is as inconsistent as the contrast between that passage and the opening of his own reply earlier today.

8.50 p.m.

The hon. member has always had contempt for other people's knowledge and understanding. I believe that he got this thing about publishing a book in which you will have nothing but your opponent's statements from two little volumes that were published recently; I believe one was published last week by Mr. Trudeau and one last month by President Carter, in which exactly what he said he would like to do for me was done. He thinks that down here we don't know about this and that he only knows about it because he is in North America; but we at least have some little knowledge of what goes on in the literary world, and I would suggest that hon. members ignore these nonsensical pleasantries and get to the meat of what was said.

To get to the point that we should wait for the Accountant General's audited statements before presenting a Budget: The Library of the House of Assembly affords a number of the Accountant General's audited statements and I will compare them to each Budget day. The Budget of 1973 was presented on May 3 and the Accountant General's audited statement was presented on May 6, but not of the same year Mr. Speaker. The Accountant General's Audited Statement for 1973 was produced two years and three days after the Budget, on May 6, 1975. And he says we should wait for the Accountant General's audited statements before presenting the Budget. The first Budget of 1974 was presented on April 5, 1975 and the Audited Statement for that year did not reach the House of Assembly until June 11, 1975, a year and two months later. The only Budget that I have been able to discover that was ever presented before the Accountant General's Statement was the last Budget of the hon. member which was presented during the same week, and that was the latest Budget he ever brought to this House, after a wait of a year and a half. So hon. members can see, Mr. Speaker, that from the outset what he called a farrago of garbled, misleading and inaccurate information more precisely applies to the speech which he made, not to anything said in here on this side. I don't want to go over every inaccuracy — failure of accounting officers to reconcile figures. Sir, the accounting officers do not prepare the Budget. The reconciliation of figures is a matter for final accounting. And he goes down all

these trivialities for forty minutes talking against an early Budget. Is that what the people of Barbados were waiting to hear? Is that what hon. members of this House were invited to come here to listen to?

He spoke about the tedium of listening to the Budget Speech. The truth is always tedious to those who do not want to hear it. Facts are always distasteful to those who prefer falsehood. And having to sit down and listen to a catalogue of the achievements of the Government in the year and twenty months we have been in power would have to be tedious to the hon. member for St. John.

Mr. Speaker, I pass over such things as 'he never cared for the adversary system and one-party state as the Opposition are saying' — whatever that meant. My note here shows he was still defending twenty five minutes after he went in. An opening batsman facing Thompson is expected to make a stroke after he has had twenty five minutes of seeing the new ball.

He went on to complain of as far back as 1972-73, talking of the event of years and years ago, giving us over here a very difficult time in trying to find out what the speech was about and what we could reply to. Well, the first point that I listed that the speech could reasonably have been said to be about was concerning the statistics contained in the Economic Report. Now, Mr. Speaker, the Economic Report is not the Budget; it is not my statement; it is a publication of the department of Statistical Services of my office. The Economic Report gives its sources and its methods. I myself do not agree with all its methods, but the Statistical Services Department operates within parameters which I found when I took office and which I have tried to alter. It is quite untrue that there was ever any question of my saying that an Indian gentleman gave me any figures. An Indian gentleman whom I do not know — a UN expert, I believe — was lent to the Statistical Services Department at the initiative of the former Government and he gave them certain assistance and training in creating employment data. This is found at pages 12 and 13 of the Economic Report and is headed "Adult population in private households by activity status, based on the continuous household sample survey." The hon. member for St. John read that but did not read the table to which it applied. He then went on to read a table about the general population of Barbados which is found at page 15 of the same report, and so flagrant were his distortions that the hon. member for Christ Church West, the Attorney General, had to interrupt, and I also interrupted. If the House was offended by the interruption, I apologise, but there are certain moments when you cannot sit down and take anymore, when you hear distortions and falsehoods and misleading

statements; when you see a man take up a document and read out what you know is not there — it is too much to take at certain times. When you have a document in your hand and another man has the same document in his hand and he reads something that is not in the document you feel constrained to say something about it. The population figures, in my opinion, contain many infelicities, because they do count tourists. They are calculated on exactly the same basis as the hon. member said they should be calculated. The number of births is added, the number of deaths is subtracted, and then all the persons who came into the airport are added on and those who go out are taken off. You therefore get a situation where the resident population — not the population resident in private households but everybody in Barbados — is counted and that is why these figures show these increases. You will see that net migration is 9,200. That really means, Mr. Speaker, not that 9,200 people have come home to live in Barbados; it means a certain number have come home and that perhaps there are five or six thousand more tourists on the day to which the count refers than there were on the corresponding day of the previous year. So if you got a year with a tourist boom like last year, you will get these figures. Now I myself am not satisfied with that and I have given instructions that tables will have to be prepared which net out the tourist arrivals. The report itself on page 14 — the page that was glossed over by the hon. member — says that the *de facto* population at June 1977 amounted to 256,400 persons, a figure which more nearly approximates the resident population, because it points out that every day in Barbados last year there were over 6,600 tourists on the average.

9.00 p.m.

So, all the questions which he posed and for which he attacked the Civil Servants in the department of Statistical Services unmercifully were simply answered by turning back the page from which he said he was reading; but the page from which he said he was reading did not even have on it what he said he had read. The continuous household sample, sir, is used for one purpose and for one purpose only, for estimating the percentage of an employment. I have raised the question with those responsible. They tell me that they are refining the statistics, they are getting them better, and they are sure that the percentages shown in the tables are accurate. They tell me however, that since the sample is relatively small, for the purpose of estimating population, that the absolute figures cannot be calculated with the same degree of accuracy. I therefore gave instructions that so as not to mislead the public, the tables should contain an estimate of the actual numbers so that persons may have a better idea.

From looking at Page 12, you can look at June 1976, you can see the actual numbers, and therein will be

found the answer to all the chit chat about the Labour force and people moving out of the labour force and so on. Who are interested in these statistical details? These are matters for professional statisticians. I once read Statistics at University Level, and therefore I may be able to deal with some of the points which statisticians raise; but I should not even be doing that, because I do not believe that any Minister should be getting into technical arguments with his advisers. My duty is to make sure that statistics of this sort are presented in a meaningful fashion with appropriate data on which the public can come to conclusions. I am satisfied that the percentages shown here are very reasonable and are reasonably accurate statistics for employment.

The hon. member said that there were no statistics for employment in 1960, and that they have been invented. The hon. member is not telling the truth. The 1960 census and the 1970 census both made careful analyses of employment and unemployment in this country. In 1960 the census enumerators found 8.7% and in 1970 the figure was 7.9%. I will give the hon. member that the figures were a little better for 1970 than they were for 1960; but in both cases they are better than they are today. There is twice as much unemployment as there was 20 years ago in 1960 or as there was 8 years ago in 1970; and there was three times as much unemployment in 1975 as there was in 1960 or 1970. There is a whole host of factors responsible for that — the shrinkage of workers in the sugar industry not being taken up full by jobs provided elsewhere perhaps is the principle one; but I did not go at length into these matters of employment and unemployment. They may have to appear in a different type of debate.

This business of the voluntarily idle increasing, and it being suggested that the unemployment figures are being fiddled by increasing the voluntarily idle, anybody who examines the table will see that what has happened is that the figures for people who keep house — in other words housewives — have been reworked, and the number of housewives has been reduced and added to the voluntarily idle in the cases of houses where there are two women, neither of whom is seeking work. Previously, apparently we used to say that there were two housewives, but now apparently the better statistical method is to call one a housewife and to say that the other is voluntarily idle. I understand that that is the explanation; but if you add the two figures together, you will find that for women, in fact it was said in 1976 the 29,000 women either keeping house or voluntarily idle. In 1977 there were only 3,000. So far from the figure going up in order to make employment look better, they have actually gone down as the hon. member for Christ Church pointed out; and all this talk about voluntarily idle is one of these dangerous demagogic tactics of picking up a piece of paper and reading vehemently and forcefully from it especially if your former position may be thought to lend some weight to your

words. Read from it what is untrue, and the uniformed may believe you. It was a device well popularised by a gentleman called Dr. Joseph Goebbels whose biography was recently published in the U.S.A. I have no doubt that the hon. member for St. John has made good use of it in the last fortnight.

Coming to the Public Servants which I think is the next point that he made, he went on, and on, and on about the Public Service, how unreasonable we are to the public servants. What did we ask in 1976? That the Government return to the bargaining table, because the circumstances of 1976 have to be remembered. The election was near, and the Government clearly wanted to get public servants' salaries out of the way in a generous way before the election; but let me tell you what the hon. member said during the currency of that agreement that expired in that same 1976; and I am reading now from the Budget Debate of the 21st November, 1974: "If Government yielded to the demands of the National Union of Public Workers the taxpayers would be saddled with an additional bill of \$1 million a month or \$12 million a year, consequently aggravating the already burgeoning inflation, the alternative would be to institute a drastic retrenchment of the work force on the Government pay roll which would include the monthly public paid officers who considered themselves immune from the slings and arrows of outrageous unemployment".

Those are the words of the hon. member for St. John, and he is seeking \$1 million a month, and the demands of the National Union of Public Workers are for \$5 million a month now; and he was saying that if you gave \$1 million a month to the public servants that you would have to retrench even the monthly paid staff. Now he is coming in here and trying to criticise the policy of the Government and saying that we are not giving enough and we have reached the stage where we cannot possibly accede to the excessive demands that will cripple Barbados and break it entirely.

I do not have to go any further. I do not have to read and re-read and go over and repeat myself. I do not know what to call it. I do not want to call it cheap electioneering here in the House. What made it all the more disappointing, sir, was that we had a statement on public economics and public finances a few weeks ago in the debate of the Estimates from the hon. member which was model of wisdom, deportment, good advice and sound economic sense.

9.10 p.m.

There was no abuse of anybody, he agreed with the Government about the Public Servants, he agreed with the Government about the difficult situation of Government finances. You will remember it well, Mr. Speaker. You will remember how everybody in here was impressed by the restraint of the hon. member upon that occasion. But all of a sudden now he emerges from nowhere, he rolls

the clock back as it were to 1974, he abused the Press, the public servants, the Statistical Department, the people in Belleville.....

Mr. SPEAKER: Which hon. member are you referring to?

Rt. Hon. J. M. G. M. ADAMS: The hon. member for St. John, the former Prime Minister and former Minister of Finance. He abused the press, the Church, the people in Belleville, the public servants, the Government, he even abused the Opposition at times without realising what he was saying. What can you do in circumstances like that?

What has he said that I can reply to? He defended the record of his Government. If he defends it the public has already judged the quality of his defence. The public has taken what he said into consideration and acted accordingly. What more can be said! He attacked Asiatic wives. What an expression! What an insult to the Indian and Pakistani community of this country and the Syrian community talking about Asiatic wives; they are the people who are swelling the labour force. He made a statement about the large numbers of Asian women coming here, and I have asked to have this checked out and the department of Immigration finds it impossible to identify since we have been in Government any Asian woman who has come here for the purpose of marriage to a resident of Barbados, and yet we hear something in here about Asiatic wives. I would have to think this is the National Front, Margaret Thatcher, the Fascist, the Nazi from the United States, the Klu Klux Klan man who is in England now. That is what I would have to think. It is Margaret Thatcher who said there must be no more Asiatic wives in England, and the hon. member for St. John says there must not be any in Barbados.

The hon. member then took us up on the question of mismanagement. I want to be very short about this. The hon. member was a lawyer once, and certain oratorical and rhetorical tricks that you learn at the Bar and if you are wise abandon when you enter politics, seem to have been retained in his armoury. He challenged me to publish any World Bank Report or IADB Report saying that the economy was mismanaged, well knowing, Mr. Speaker, that World Bank Reports are confidential and are not subject to publication. But the hon. member was offered advice by an official of the World Bank called Mr. Gunter Weisse. See if you remember that name. It was the first World Bank Report and Mr. Weisse said that you have to ride a four wheel chariot -- that expression would also be familiar to the hon. member. Fiscal restraint, monetary restraint, prices and incomes policy and Exchange rate adjustment were the four wheels of this chariot and the hon. member attended a meeting.. now I understand Mr. Weisse was an offensive sort of man... but he attended a meeting with Mr. Weisse and did not like

the way the advice was given, and he refused to speak to him far less listen to the advice, and when he went to the Governors' meeting of the International Monetary Fund he reached into his memory of the Good Book to find a few quotations to empty buckets of coal upon Mr. Weisse's head when he made his speech and was dealing with the World Bank. So the hon. member from that little recital knows that I am in a position to indicate that there was advice available from international financial sources which he could have taken and which he rejected. As I said, Sir, I heard that Mr. Weisse was not a very nice man. I just heard that, I do not know. I really know absolutely nothing about the gentleman; but the hon. member is being exceptionally unfair when he offers any challenge about publishing World Bank Reports knowing that they are not subject to publication. You have to agree with the World Bank that they shall not be published.

Well, Sir, after 75 minutes of his speech he reached last year's Estimates. Now we heard a lot of figures bruted around; \$32 million and \$40 million. The facts are really very simple; I gave them in my speech. The Revenue was revised twice. It was revised in September when it appeared to be one figure and it was revised again after October when it appeared it would be less, and it turned out that we had a very good month for revenue in March, and the figure of \$32 million is not the figure; it was reduced to \$19 million. We reduced the deficit to \$19 million. We estimated the deficit at \$50 million. That is what will be on the cover of the Estimates; it turned out at only \$19 million. Next year we estimate at \$40 million and I am very much hoping — I do not want to be too optimistic — I will say I am hoping it will be less than half, and it is therefore very misleading to go on and on about the figure of \$32 million when the very Budget Speech that you listened to sets out and prints out that the real figure for the deficit is \$19 million. It is still a record deficit. I am not minimising the situation. I am not seeking to pat the backs of any member of the Government or of myself because we cannot afford a deficit at all on current account. But at least we started out expecting \$50 million, our expectations improved to \$32 million and we realised only \$19 million, and therefore all the figures quoted by the hon. member have to be adjusted to deal with the fact that he was constantly exaggerating the size of the deficit.

The Government's financial situation remains very difficult; we cannot believe that this can go on and on, a situation of deficit, and indeed the hon. member just on 2 o'clock when he actually reached the Budget earlier today after two hours said, and I want to adopt those words: "There is no Government that can go on creating money indefinitely to pay for current consumption." This is a fact and I am going to repeat it. It was a break through to one of the things which he said in the Estimates Debates. It is true, it stands out in his speech

and is true, it is wise; it stands out in his speech today because it is wise and it is the policy of the Government, and I must say that until today I thought it was the policy supported by all right thinking people in the Opposition as well.

One or two other matters. He spoke of a rise in the cost of living being irreconcilable. That was a real piece of distortion. He said how I had pointed out there was a 100% rise, but I said in 1976 there was no rise. But I could not understand that. I thought he was tired. He read out what I said was the rise in 1973, in 1974 and 1975 and it added up to 100%, and I then said in 1976 it stabilised and he said that was an inconsistency. He must know figures. He must know three from four, four from five and five from six. That is the whole burden of that part of my speech, that the cost of living skyrocketed from 1973 to 1975 and then it stabilised in 1976; but this is the nature of the hon. member's speech. He said if the economy has improved then the public officers should get increases. In many ways I regard that as the point in the whole speech which was made that deserves some answer. 9.20 p.m.

I have had to say in here that Barbados is in a situation of public penury in the midst of private prosperity, that a country can be prosperous but a Government not prosperous, and Governments sometimes are not prosperous because although they are raising a lot of revenue they have expenditure beyond our means.

Sir, a team from the World Bank recently visited here looking at Education projects and they surprised everybody in the Government by telling us that Barbados spends a greater proportion of its Gross Domestic Product on Education than any other country in the world. A greater proportion than the United States, Britain, Germany, Japan, Russia. The report even said we had too many teachers, Sir, and said that the school system could achieve greater efficiency with fewer teachers. With expenditure like that, with expenditure patterns like that, it can be understood why it is the Government is not in a position to pay civil servants more although there may be growth in the economy. We are spending too much and we have to review our spending or expenditure patterns and cut out waste, and I go back again to the words, "there is no Government that can go on creating money indefinitely to pay for current consumption." His words, Sir, not mine. What the Governor of the Central Bank said to the same effect on March 15, I also agree with, and I believe really that at that stage in his speech when he was coming home the hon. member was beginning to return to sanity.

The overall deficit exceeded \$10 million only twice prior to 1972 but will reach \$100 million, but of course it may have exceeded \$10 million in 1964 or 65, one of those two years, but the value of money then, the

proportion of \$10 million to the GDP may not have been very different from the proportion of \$95 million today. In fact, it would have been less, but to speak of \$10 million many many years ago and then to try to compare it with today's money is a seriously misleading tactic.

The specific budgetary measures attracted little attention from the hon. member, but I would like to deal with one or two, Sir, before I complete. He spoke of kerosene and how the price of kerosene is going up. The price of kerosene is going up because there are certain margins which were agreed when the hon. member was Prime Minister and the hon. member for St. Michael South West was Minister for Trade, and those margins have to be enforced unless we decide after consultation with the dealers and they decide they will take less money, and the price is going up because the price of kerosene to land in Barbados is going up. The margins set by the hon. member for St. Michael South West while the hon. member for St. John was Prime Minister are still in force today, and if the price of kerosene goes up a penny a pint at the port, there is a formula which is used and which automatically adjusts the price of kerosene within Barbados. All that we have done is to say that a shopkeeper who has to dip out the kerosene and maybe lose a little bit in the pint pot, because when he dips it out a little bit will splash and so on, that he must get a slightly higher margin, and we are going to be crucified because in order to bring kerosene back into country shops we give country shopkeepers the chance to make a cent a pint more, eight cents a gallon more on kerosene, and we are pilloried for this.

Not gasoline. Understand, Sir, the Democratic Labour Party spokesman has not criticised the increase in gasoline, he hasn't criticised the increases on furniture, he hasn't criticised the increases in import duties, he hasn't criticised any of the budgetary measures except one that was not a tax at all, kerosene, and except for another which will assist in a clean-up campaign, improve the environment of Barbados and give employment to some people in the town and in the country to some gardeners, they are the only things that are criticised in the budget. Not putting a tax on kerosene, just letting it rise by the amount that the formula his Government determined, said it should rise by, and by giving people the means to give some boys in the country work as gardeners.

There was some criticism — a note has been passed to me — of taxi licences which were fixed in 1972, and I've emphasised that the increases are not even net increases, because an increase in a taxi licence is taken care of partly by the relief from income tax on the amount that you pay, and they don't now have to pay trade tax. Trade tax has been taken off the taxis, so taxi men are better off in terms of their tax contribution to the Government than they were before we came to power, even with the licences, and yet these are the things which are criticised.

I hope hon. members understand that if you have to pay a little more for a rum snap that this has to be regarded as a bi-partisan policy, because not a word of criticism about that. Oh, Sir, he did criticise something. As he put the handkerchief back in his pocket from wiping his fevered brow he criticised the tax on handkerchiefs; hon. members may recall that.

Mr. Speaker, there really is very little else in the two hours that were talked about. A few small points, coming back for supplementaries, I think all hon. members know that the public service is being discouraged from underestimating at the beginning of the year and coming back for supplementaries later. I don't think that I have to give any further pledge to hon. members that the Government will not allow expenditure to get out of control.

There was some general assault, I suppose, on employment policies of the Government, but I think that these matters have been well dealt with by the hon. member for Christ Church South Central, the Deputy Prime Minister, and the hon. member for St. Philip North, and in summing up the debate I would like to thank them for their contributions, and the hon. member for St. Philip North in particular for indicating where the true balance of inconsistency lies in his reading from the 1962 budget of the hon. member for St. John.

The last point with which I will deal, Sir, and the last note which I have, relates to the question of the national debt. The hon. member spoke about not walking away from previous years' debt, and I can't walk away from the \$32 million — not \$32 million, it was \$19 million — debt, and the burden of debt which I took over from the hon. member, the debt from which I cannot walk away, is \$245 million. That was the public debt of Barbados at the end of August 1976, that is the burden of debt from which the Government and people of Barbados cannot walk away. We have made some little dent this year, Sir, just reduced it a tiny amount even at the end of March, and of course it will go down in April because we have special receipts in April, but that is what cannot be walked away from. To hear the hon. member talk you would have thought that in years gone by everything was so rosy, there was no debt, but from \$20 million \$245 million was the record of the hon. member where debt was concerned.

Mr. Speaker, in conclusion, let me say again how very sorry I am that for one further year the budget debate has been marred by procedural difficulties.
9.30 p.m.

I really believe that what was said by the hon. Deputy Prime Minister and the hon. Attorney General will have to come to pass next year. Some years people

complain that they are not on television. This year we have a new complaint — they are not on television. This television is doing some very terrible things to the debates in the House. The hon. member for St. John comes back in March — no television, and all sweetness and light. As I had to say, he spoke like a real elder statesman on that occasion — like the real elder statesman he is or should be. Now television, and we are back to the worst days. Next year I think we will have to make a serious effort to systemize and institutionalize the presentation of the Budget debate so that nobody can quarrel that they are getting television or not getting television. I think we should seek an all-party agreement for the cameras to come in and for a better system of lighting. Perhaps we should try to have the lights in the ceiling so that the lights do not burn their way into the eyeballs of hon. members, like the hon. member for St. Michael South West. Perhaps also, if the Caribbean Broadcasting Corporation can manage it, a second TV Channel, so that from 12 o'clock viewers can look at the debate in Parliament, and perhaps the main channel can cut into it after the news at night or whatever. But there must be some system that will eliminate all this wrangling.

Something else which I deplore too, Mr. Speaker, is this business of hon. members sitting down and not getting up to speak, so that hiatuses in the debate take place. For four minutes, I understand, you were calling on hon. members to speak today and nobody was getting up. We have to find some system to deal with that. If that had not been the case we would not have had the difficulties we had today. I really regret all this.

In moving, Sir, that the Resolution approving the Budgetary Proposals and taking note of the Government's record this past year — growth, containment of inflation, employment — I can only say I much regret that the people of Barbados have been deprived for the second successive year of a full opportunity of having the Budget debated right through to the end, with every point of view being fully represented.

Mr. Speaker, I beg to move the Resolution standing in my name.

Hon. H. deB. FORDE: I beg to second that.

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

Hon. H. B. ST. JOHN: Mr. Speaker, there is one matter I would like to conclude tonight to avoid us having to come tomorrow, and that is the Bill for the Prevention of Floods Act. We had passed the second reading and had moved that further consideration be postponed. I would like to move further consideration of the Bill.

Hon. L. B. BRATHWAITE: I beg to second that.

The question that further consideration of the Bill be resumed was put and resolved in the affirmative without division.

On the motion of Hon. L. B. BRATHWAITE, seconded by Hon. L. S. CRAIG, Mr. SPEAKER left the Chair, and the House went into Committee on the Bill, Mr. ODLE in the Chair.

Clauses 1 to 4 inclusive were called and passed.

On the motion of Hon. L. B. BRATHWAITE, seconded by Hon. L. S. CRAIG, Mr. CHAIRMAN reported the passing of the Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. L. B. BRATHWAITE, seconded by Hon. L. S. CRAIG, the Bill was read a third time and passed.

ADJOURNMENT

Hon. H. B. ST. JOHN: Mr. Speaker, there is only one Item remaining on the Order Paper and we do not propose to proceed with that Item today and so that concludes Government Business for today.

I beg to move, Sir, that the House do now adjourn until 25th April, 1978 at 12 o'clock.

The question that the House do not adjourn until 25th April, 1978, at 12 o'clock was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly.
9.40 p.m.