
THE

House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1976 – 81

HOUSE OF ASSEMBLY

Tuesday, 24th April, 1979

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); Hon. L. S. CRAIG, (Minister of Housing, Lands and the Environment); Rt. Hon. J. M. G. M. ADAMS, M.A., (Prime Minister and Minister of Finance and Planning); Hon. C. L. BOLDEN, LL.B., (Minister of Communications and Works); Hon. H. deB. FORDE, S.C., M.A., LL.B., (Attorney General and Minister of External Affairs); Mr. D. A. C. SIMMONS, LL.M.; Hon. Miss B. A. MILLER, (Minister of Health and National Insurance); Hon. L. B. BRATHWAITE, (Minister of Agriculture, Food and Consumer Affairs); Mr. J. G. ODLE, B.Sc., (Chairman of Committees); Mr. M. C. C. WARD; Hon. H. B. St. JOHN, Q.C., LL.B., (Deputy Prime Minister, Minister of Trade, Tourism and Industry) (Leader of the House); Mr. DeL. O. BRADSHAW; and Mr. L. L. SISNETT.

Prayers were read.

Drs. HAYNES and CADDLE entered the Chamber and took their seats.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, 6th March, 1979.

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

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

Mr. TAITT entered the Chamber and took his seat.

Mr. SPEAKER: There are no observations; the Minutes stand confirmed.

ANNOUNCEMENTS BY HIS HONOUR

Mr. SPEAKER: I have to announce that I have received copies of the Accounts and Statements for the month of February, 1979, as prepared by the Accountant General.

PAPERS LAID

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I am commanded to lay the following.

The Report of the Constitution Review Commission.

Barbados Economic Report 1978.

Statements of Account of the Transactions in Rum in the Several Districts of the Island for the quarters ended June, September and December, 1978.

GOVERNMENT NOTICES

Hon. H. B. St. JOHN: Mr. Speaker, I beg to give notice of a Bill to amend the National Sports Council Act.

Hon. H. deB. FORDE: Mr. Speaker, I beg to give notice of a Bill to amend the Marriage Act, 1978.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I beg to give notice that I will be delivering the Financial

Report and Budgetary Proposals at 4.30 tomorrow afternoon in the House.

FIRST READINGS OF BILLS

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that the Bill to amend the National Sports Council Act be now read a first time.

Hon. L. S. CRAIG: 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 the Bill to amend the Marriage Act, 1978 be now read a first time.

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

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

ORAL REPLIES TO QUESTIONS

Hon. H. B. St. JOHN: Mr. Speaker, I beg to give notice that the Reply to Parliamentary Question No. 21 asked by the hon. member for St. Michael South West is now ready.

Hon. C. L. BOLDEN: Mr. Speaker, I beg to give notice that Replies to Parliamentary Questions Nos. 26 and 28 are now ready.

SUSPENSION OF STANDING ORDERS

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that Standing Orders 6, 16, 18, 20, 42, 43, and 44 be suspended for the remainder of today's 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, I beg to move that Item No. 3 of Government Business be the first Order.

Mr. SPEAKER: Item No. 3 is the instant Order of the Day.

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT ENTERPRISE, CHRIST CHURCH

Hon. L. S. CRAIG: Mr. Speaker, this is a parcel of land at Enterprise, Christ Church near to the former Coast Guard Station for which I am seeking Parliamentary approval for the purpose of having a pathway. The beach at Enterprise is now becoming increasingly popular, and at some future date I hope myself to be able to have some facilities there apart from the pathway.

The area consists of some 6,841 square feet, the necessary Schedules have been published, the legal people are satisfied that the Resolution is in order, and it is just another amenity to accommodate the general public.

I beg to move that this Resolution do now pass.

Hon. L. R. TULL entered the Chamber and took his seat.
12.25 p.m.

Hon. H. B. St. JOHN: Mr. Speaker, it gives me great pleasure to support the passing of this Resolution. As hon. members may recall, as long ago as 1966 the Barbados Labour Party in its Manifesto indicated very clearly that they would use every method at their command to ensure that there would be decentralization in Barbados by the creation of sub-towns at various locations in Barbados — Oistin, Speightstown, St. George, St. Philip and Belleplaine were specifically set out and earmarked. That was as long ago as 1966. It took a long period of time to convince the other side that it was a good policy, and somewhere between 1971 and 1976 the then Government decided that it would adhere to this policy; so do not think that there is any question of partisanship. But while professing adherence to this policy the Government decided to have the Coast Guard Station at Enterprise, and unfortunately the effect of certain works on the seaward side and on the landward side was not what was contemplated in accordance with the plan, and far from providing an amenity for the Coast Guard it ended up as being an amenity for the whole of Barbados. Consequent on the decision to erect the Coast Guard Station across a public road, considerable personal problems have arisen since that time. With the blockage of the Enterprise Road it meant that people who were in the habit of reaching the Enterprise Coast Road from Scarborough and Pegwell were unable to use the accustomed access, and in order to get access a number of people started to create a new right of way over the lands of small owners in Scarborough. This led to a considerable

amount of personal bitterness which ended up in some cases before the Magistrate at Boarded Hall. I am intimately acquainted with this and as part of the Oistin development from the early days when the physical planning was being done it was indicated that a pathway with no question of any problem of access should be created along the eastern boundary of Scarborough. After the land surveyors looked at the Scarborough property it was discovered in the Scarborough/Pegwell area at the junction opposite the International Disco that there was a small portion of land not under the ownership of the Government, which formed a wedge within the four boundaries at Scarborough House which is owned by the Government.

This Resolution seeks to implement that idea in that it is acquiring that small piece of land so that the boundaries of Scarborough can be straightened out and permit a continuous piece of land under Government's ownership stretching from the Pegwell-Oistin road to the Enterprise road and the public right of access would be preserved in that area.

As I said Sir, this is a matter which is very dear to me and it gives me the greatest pleasure to support the Resolution.

Dr. HAYNES: Mr. Speaker, I am very pleased to note that the hon. Leader of the House recognizes the contribution which the Democratic Labour Party has made in getting the plans for the Oistin Development off the ground. I am also pleased to note that the Government will be continuing with that development and I share his pleasure in noting the increased valuation of properties on the land side and on the sea side....

Hon. L. S. CRAIG: Sir, I am quite sure that this debate on a simple Resolution could not have ended without some sarcasm coming from the hon. member for St. Michael South Central. A simple Resolution to acquire 6,000 square feet of land to assist the public to get to the beach, and the hon. member is talking about increased value of land on the other side; exactly what he said in here before, that the Deputy Prime Minister owned land stretching from Oistin back down to Pegwell and that he was out to make sure that the Oistin development would be there to increase land values. And he has brought the same dirty, smutty thought again today.

Dr. HAYNES: On a point of order, Sir, I think the hon. member is clearly unparliamentary to refer to a statement that I made as dirty and smutty. What I said was not intended as a reflection on the hon. Leader of the House.

Mr. SPEAKER: I appreciate your point.

Hon. L. S. CRAIG: Sir, as far as plans for the Oistin Development, the only plan I recall seeing is a tractor still buried in the sand at Oistin and there is nothing we can find in Barbados to move it out of the sand. That is the contribution they have made to the Oistin development. I was confident that this Resolution could not have gone through unless we had some sort of sarcasm coming from the hon. member for St. Michael South Central. They say you live as you die, but God help you as a medical man.

Mr. Speaker, those are the remarks I have to make on this Resolution.

Mr. SPEAKER: I think you mean the saying you die as you live.

Hon. L. S. CRAIG: Some people are living and dying, Sir, and some are dying and living.

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

QUESTIONS

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that question time be now taken.

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

Mr. SPEAKER: It is now Question Time. The hon. member for St. Michael South West, his Question No. 21.

Mr. TAITT: Mr. Speaker, to enquire of the appropriate Minister: Will the Minister state the total amount of money paid to or on behalf of the Chairman of the Board of Tourism on account of travelling or per diem expenses, excluding air fares, during the first two years of his tenure of office?

Hon. H. B. St. JOHN: Mr. Speaker, the answer is as follows: \$20,800.92.

Mr. TAITT: Mr. Speaker, a supplementary question. Would the hon. Minister care to indicate the actual number of visits which the hon. gentleman would have made?

Mr. SPEAKER: I think that Supplementary could be the subject of a substantive question.

Mr. TAITT: Supplementary, Mr. Speaker. Could the Minister state what is the actual per diem allowance?

Hon. H. B. St. JOHN: The Chairman of the Tourist Board is paid a flat allowance inclusive of hotel

subsistence and all other things US\$90.00 per day. This rate compares very favourably with the amount paid to public officers when travelling.
12.35 p.m.

Mr. SPEAKER: The hon. member for St. Michael South, whom I do not now observe in his place. His questions numbers 26 and 28. Let the answers be laid. This brings us to the end of Question Time.

SUSPENSION OF SITTING

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, in moving the suspension of the sitting until 4.30 p.m. tomorrow, I wish to take the opportunity of announcing the arrangements which will be made for the Budgetary Debate. Sir, as I understand it, the Opposition has been informed — I think that the Cabinet Secretary has been in touch with them. The Budget will be delivered at 4.30, and the debate on the Budget will start at 4.30 on Thursday and will continue through Thursday and Friday.

Mr. SPEAKER: Continue through Friday beginning at?

Rt. Hon. J. M. G. M. ADAMS: As I understand it at 12 o'clock; but the Government does not tie itself down to that in case we do not have enough time for everybody to speak on Friday. I understand that a limit has been accepted as not longer than the speech of the Minister of Finance. I understand that Your Honour has given permission for the entire proceedings to be televised, everybody's speech. It may well be that tomorrow we will get agreement on the suspension of the Standing Orders.

My understanding is that nobody wishes to make a longer speech than half an hour, and the ordinary limit of half an hour will apply to everybody except the Minister of Finance and the Leader of the Opposition or the member speaking on behalf of the Opposition. I take it that it is acceptable that whoever speaks first on behalf of the Opposition, his speech will not exceed the length of the speech of the Minister of Finance. I can give hon. members the assurance that I am going to take longer than half an hour.

Mr. TAITT: Mr. Speaker, on a point of order. Perhaps the hon. member will wish to be aware that we forwarded a letter to the leader of the Government yesterday.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I know that the Deputy Prime Minister has been making inquiries this morning. If the hon. member would indicate what the question is....

Mr. TAITT: So far as the length of the reply from this side is concerned, that principle will be upheld or adhered to in the customary manner. There is also the question of the way in which we can preserve our position. This is the question of the broadcasting of the rest of the debate, for which, I understand, Your Honour has already given permission. It would seem to us that the principle of equal time involved in the convention surrounding the presentation of the Budget will be substantially breached if, in fact, bearing in mind the number of members on this side and the number of members on that side, if all of the debates were to be televised. It is clear that the arrangements made by the Leader of the House only fall within Government Business; but in so far as arrangements for what will happen inside this Chamber, if you take six hon. members on this side.....

Mr. SPEAKER: I do not want to interrupt the hon. member, but what we are now engaging in does not concern the Chair. It is a domestic arrangement that ought to have been settled between the Leader of the Opposition and the Leader of the House. It has nothing whatever to do with the Chair or for the Chair to entertain at this stage.

Mr. TAITT: Mr. Speaker, with the greatest respect, it would seem to me that I can report to Your Honour that the matter has not been settled in so far as the Opposition is concerned.

Mr. SPEAKER: If the matter has not been settled, it has nothing to do with the Chair at this stage.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, there is something very clear in this matter. The agreed time is for the spokesman for the Opposition to be equal to the time of the Minister of Finance, a provision that I have never heard of in any other Parliament before, but one that both the parties in Barbados are very glad to have. I do not see how you can say that the Government must disqualify some of its members from speaking because the Opposition only has six seats.

Mr. SPEAKER: The solution may be to send some of the Government members to the Opposition seats.

Mr. TAITT: Mr. Speaker, I never suggested for one moment that they curtail the speeches of anybody on that side; but, Mr. Speaker, on the question of broadcasting of the debate.....

Mr. SPEAKER: The Chair has already given permission for this to be done and that is the end of the matter. Is there anything else that the hon. member wishes to add?

Mr. TAITT: I would like to draw to Your Honour's attention that this is a matter which falls within the privileges of this House.

Mr. SPEAKER: Do not tell the Chair. Any hon. member is free to run away from the camera. Please take your seat.
12.45 p.m.

Mr. TAITT: That may very well be.

Mr. SPEAKER: Any hon. member is free to run away from the camera. And please take your seat.

Dr. HAYNES: Mr. Speaker, there is one aspect of this which I do not think the hon. member.....

Mr. SPEAKER: On the matter on which the Chair has ruled?

Dr. HAYNES: Not really, Sir. It is just that the principle as put forward by the hon. member.....

Mr. SPEAKER: Is unreal?

Dr. HAYNES: Pardon me!

Mr. SPEAKER: Your point is not real; it is unreal?

Dr. HAYNES: No, it is quite real, very real. As I understand it, the question of equal time for Government and Opposition accepted down the years is independent of the numerical strength of either side and is based on the fact that when a debate is being broadcast, the general principle is that both sides should have equal time access to the homes of Barbadians. I believe this was the principle, otherwise naturally the Hon. Prime Minister, if it was proportionate, would normally have a longer time than the Opposition. I think that this principle of equality of time is one that should be cherished by both sides of this House, and I would hope that any arrangements that are made should not be breached, because, Mr. Speaker, what obtains now can well have a different effect when the other side may well be on this side at some time in the future. So I would strongly suggest that we try to stick to the principle of equal time.

Mr. SPEAKER: Fortunately for me I have seen how it operated on that side and I am now willing to see how it will operate on this side.

Hon. H. B. St. JOHN: Mr. Speaker, in seconding the motion for suspension, I just would like to point out that this side is in full agreement with the concept of equality of time for the principal spokesman of the Government and of the Opposition, and we are also in

full support of the principle of equality of time for all other members, but probably the difference is that the electorate has given us a few more members. But we only want the same time that any hon. member has, and I do not think that we can deprive any member of his opportunity to speak. He can only speak for the same time as any other member and we cannot.....

Mr. TAITT: If the hon. member would give way on a point of elucidation, at no point did I indicate that we wish to see a curtailment of the speaking time which hon. members on that side have under the Rules of this Honourable House. There is a difference between the speaking time and broadcasting time. We are talking about total broadcast time. If the principle of broadcasting from this House is.....

Mr. SPEAKER: Are you elucidating a point?

Mr. TAITT: I am elucidating it because it seems to have eluded the grasp of the hon. member. If we are going to be discussing the principle of broadcasting the debates from this Honourable House outside of what has occurred in the past, it seems to me that is a matter on which both sides of the House ought to be able to agree before it is implemented. It seems to me that it is not propitious that this particular budget coming up would be the object of the experiment of broadcasting from this Honourable House.

Hon. L. S. CRAIG: Speaking on the suspension, I speak, Mr. Speaker, with a background of twelve budgets behind me, and I recall very well when the Opposition had to cut the wires to make sure that people on this side could get the opportunity to speak. What more can we do? We are giving you the right to talk to the entire country, something that I never had the opportunity to do when I was on that side for but once when the now Prime Minister was out of the country. Now I am hearing about equal time. You would like two hours? Two hours for you to say what? You are incapable of speaking of the country's economy over a period of two hours unless you curse somebody and you cannot curse on the people's camera. You cannot talk about Pele and so on a television. We are giving you this to hang yourselves. It is as simple as that. So this is what has you afraid now. This is what you are afraid of. Maybe if you had a question.....

Mr. SPEAKER: You should address the Chair.

Hon. L. S. CRAIG: I am only looking to my right, Sir, but you would appreciate what I am saying. This is my style. What is happening now is that you are up against the wall. You cannot have anybody asking you questions or saying whether it is a press release to the Advocate and the Nation and boasting that you have the

Advocate in your hand and Mr. Robert Best. The hon. member for St. Michael South Central cannot say that on the people's radio. You are addressing everybody; everybody will be seeing you on this occasion and in half and hour you have to pack in some knowledge of the country's economy. That is what you have to do, something which you cannot challenge, and that is what you are afraid of. Now you will have about ten spokesmen; the Leader of the Opposition who was the former Chancellor of the Exchequer, the hon. member for St. Michael South West who was appointed Shadow Minister of Finance by the former Leader of the Opposition, and remember yesterday, now suddenly we have a medical economist. So this is your problem: how you are going to combat the people's cameras tomorrow after the Prime Minister presents his Budgetary Proposals. That is the big problem.

Dr. HAYNES: On a point of order, Mr. Speaker, medical economy is a well recognised and very intricate specialty.

Rt. Hon. J. M. G. M. ADAMS: If I may just answer the debate, Sir, I should like to bend over backwards to assist the Opposition in this matter, but unfortunately there is a principle which the Opposition seems to be putting forward which is in conflict with very deep and fundamental principles of the democratic two party system. Unfortunately nobody has yet been able to devise a means by which one party has a majority and the other has a minority and they have equal numbers, and therefore the principle of equal time has been irretrievably compromised by the decision of the electorate based upon the Constitution of Barbados. I cannot help if the Opposition do not want the Budget debate to be fully televised. We are offering a facility....

Mr. TAITT: If the hon. member would give way, this side has never said it does not wish the Budget debate televised. We are looking forward to it.

Mr. SPEAKER: Point made.

Rt. Hon. J. M. G. M. ADAMS: But the hon. member evidently looked forward to two speeches being televised, not to the debate being televised. On this occasion as was envisaged last year, because this was entered into at this same time last year, I can reveal that in Cabinet there were those that said "no, we need to give it more thought, work out some laws.

Mr. Speaker, the Standing Orders Committee was circulated for meetings at which the Opposition could have attended, formed a quorum and given the views that they are giving now. If they wanted Rules worked out by agreement, they could have come to the Standing Orders Committee meetings. Instead they got on political platforms and talked about the meetings and told lies about how we intended to limit the speech of the

principal spokesman to one hour. They did not come to the meetings, but in contravention of the Parliamentary (Privileges and Immunities) Act they made known on public platforms what was in the summons to Standing Orders Committees that had been sent out.

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

Rt. Hon. J. M. G. M. ADAMS: Now all of a sudden from nowhere at all the Opposition suddenly discover that they have reservations about the televising of the debate in the present form. If you have equality you have to have equality for every single member and that is that. The public can now judge the truth of those who got on political platforms and said that we were seeking to limit the rights of the Opposition. Instead we are giving every member of the Opposition opportunities which we never had, which is to be seen in Parliament on television before the entire nation.
12.55 p.m.

That is the situation and that will happen tomorrow and Friday and I am sure that hon. members not withstanding their reservations about the use of television will yet when it comes to the point have their faces powdered, have their consultants give them advice on what to say, telephone around to every single Income Tax Officer, public officers in the Ministry of Trade, former Income Tax Officers, actuaries and officials with the Central Bank before they can even write one little half baked letter in the *Advocate Newspaper* or two little half-baked letters.

Certain remarks were ordered to be expunged from the records by Mr. SPEAKER at this stage.

Rt. Hon. J. M. G. M. ADAMS: I regret any publications that I may have offered to the hon. member. The truth does hurt a great deal, Sir, sometimes more than thought fit. I regret, Sir, the provocations. You see, Sir, we have seen these things before. Happy Bryan always used to write letters to the Newspapers. Now we have somebody else signing himself as R. C. Haynes. I do not believe this is the hon. member. We even have the same confusion as we once had years ago when Sir Theodore Brancker tried to find out what was going to be in the Budget and putting it in a Resolution and writing to the Press about it. Mr. Elliott Mottley in 1971 came in here with a Resolution to divide husbands and wives income because he got a little hint that that was in the Budget.

I do not know who this R. C. Haynes is, but whoever he is, he is in good company. He has Theodore Brancker and Elliott Mottley. They are all great politicians. He tried to anticipate the Budget in the hope that he would be able to shout out that he caused something. Well as I see it, he can form all new phrases, he can form a new Company to carry out all the medical economy in the World Bank of Mottley and Haynes. They will be three interesting bed fellows.

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that this Sitting be now suspended until 4.30 p.m. tomorrow afternoon.

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

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

† On Resumption

Mr. SPEAKER: This Sitting is now resumed.

FINANCIAL STATEMENT AND BUDGETARY PROPOSALS 1979

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, this is the third occasion on which I have had the privilege of delivering budgetary proposals in this House. It is to my mind a particularly significant occasion because 1979 marks the end of the second U.N. Development Decade, a decade which has witnessed the most turbulent period in the international economic history of the world since the Second World War. The quarter of a century following 1945...

(Man attacks Prime Minister while speaking; great commotion and man held by Police).

Rt. Hon. J. M. G. M. ADAMS: This is the result of the hatred campaign being carried out in this country.

SUSPENSION OF SITTING

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I beg to move that this sitting be suspended for 15 minutes.

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

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

On Resumption

Mr. SPEAKER: Before the sitting is resumed I want to say this: The incident of a few minutes ago is to be regretted. I promise you, Mr. Prime Minister and all hon. members, that a full scale and meaningful investigation will be instituted without delay. Again, the incident is to be regretted. It was well planned, well timed, and bear in mind that the life of the Rt. Hon. Prime Minister of this island is not safe. If he can be attacked physically in this House while doing the people's business by those who wish to see him go, we must understand and bear in mind that no hon. member from this day can consider himself safe whether in this House or in his own home. And as I said here this afternoon may God have mercy on our families while we are doing the people's business. We have seen today an incident that is to be regretted.

Rt. Hon. J. M. G. M. ADAMS: As I was saying, Mr. Speaker, the quarter of a century following 1945 saw the continuous expansion of world trade, generally uninterrupted economic growth, all within a framework of a stable international monetary system. All of this came to an end in 1971 when the United States, the pillar of the Bretton Wood monetary system, was forced to suspend convertibility into gold under the growing pressure of a changing international economic order. This ushered in a period of instability in exchange markets which is still with us today. Two years later the OPEC countries, in an historic decision to take total control of their natural resources, increased the price of petroleum fourfold, thus setting off shock waves which are still reverberating. In the succeeding years, the major industrialised countries have suffered recession and unprecedented rates of inflation. For the developing world, depending in so many ways for trade and capital flows on the industrialised countries, these developments have had fundamental repercussions.

Barbados, like other developing countries, has had to re-assess in a fundamental way its whole developmental strategy and the management of its economic destiny. The collapse of the old order has presented challenges, but also opportunities for countries such as ours....

Mr. SPEAKER: I am not certain that there is enough sound from the sound system.

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that this Sitting be suspended until 5.30 p.m.

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

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

On Resumption:

Mr. SPEAKER: This Sitting is now resumed.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, as I was saying on the two previous attempts, the collapse of the old order has presented not only challenges, but also opportunities for countries such as ours. It has emphasised the growing power of the Third World both as a source of raw materials and as a dynamic market for the First World. The reality of interdependence, a concept to which so often in the past lip service was paid, is leading to a basic restructuring of international economic relations. The demands of the Third World for fairer and more stable commodity prices, increased flows of financial resources, the transfer of modern technology, and for access to the markets of the industrialised countries, have at last to be taken seriously. We in Barbados are part of this historical process. As a middle-income developing country we have the vital interest of ensuring that we obtain access to foreign markets for our expanding industrial sector and that our development efforts are supported by inflows of external financial resources on appropriate terms.

Mr. Speaker, one lesson stands out from the experience of the 1970's. That lesson is, that for a small open economy to secure its national interest and ensure steadily rising standards of living for its population, the management of its affairs both private and public must be of the highest order. Our resources are our people and our ingenuity. Faced with constantly changing external conditions over which we have no control, Government must have at its disposal a comprehensive range of statistical data and trained manpower required to use this data in order to take good decisions. It is for these reasons that the Government has set great store by the data gathering activities of the Statistical Department and the Central Bank; and has fashioned tools which will equip it to monitor its economic performance on a continuous basis.

In this context, the Budgetary Proposals are of central importance. They represent the fiscal response to the problems of the day. As a result of the improvement in the preparation of the Annual Estimates and of the speeding up of delivery of monthly accounts, we now have more accurate data on which to base these proposals. The budget is therefore designed to push the economy in the desired direction. As I promised on an earlier occasion, Government has completed its study of the medium-term strategy required to take Barbados into the 1980's and the policies and projects which Government proposes to implement are set out in detail in the Development Plan 1979-83 which will shortly be laid in the House. There will be an occasion for the House to discuss this document and I do not propose to go into any detail at this time. It is only necessary to emphasise that the Annual Estimates and the Budget represent a stage in the implementation of medium-term strategy. As on previous occasions, the Economic Report for 1978, which presents an up-to-date review of development in the major sectors of the Economy, has been laid before the House and the public. I do not therefore propose to go over this ground again in detail, but will briefly outline the principal developments in the national economy in 1978 as a background to the Budgetary Proposals.

First of all, Output and Employment: The Barbadian economy continued on an upward growth path in 1978. Provisional data indicate that real growth in output was of the order of 3% as compared with the revised figure of 2.4% for 1977. Since population

growth last year was negative, this increase is fully represented in the increase in per capita income. The Gross Domestic Product at factor cost in current prices increased by 10.5% to \$937.2 million in 1978. With a resident population of 253,100 at 31 December 1978 nominal GDP per capita has been estimated at \$3,703, an increase of \$355 or 10.6% over the figure for 1977. The rapid growth in per capita income during the past few years has placed Barbados among a small group of high-income developing countries, and as a result, the country is expected to generate a greater portion of its needs for development capital from its own resources.

The sectors which made substantial contributions to GDP in 1978 were Tourism, Manufacturing, and Wholesale and Retail Trade. The Tourist Industry's contribution to GDP was 11.6% as compared with 10.3% in 1977. A record number of tourists arrived in Barbados in 1978 — 316,899 — an increase of 17.7% over the figure for 1977. This increase in tourist arrivals was mainly due to intensified marketing efforts by the Barbados Board of Tourism, which capitalised on the continued recovery in the U.S. economy and on the severe winter conditions in North America, the United Kingdom and Continental Europe. The special marketing efforts in Europe made this the fastest growing area of supply of visitors to our island.

Net tourist earnings amounted to \$255 million, an increase of almost 26% over the figure for 1977. The Manufacturing sector contributed 11.3% to GDP in 1978 as compared with 10.2% in 1977; and Wholesale and Retail Trade contributed 18.7% the same as that for 1977.

5.30 p.m.

The contribution of the sugar sector to nominal GDP declined from 6.4% in 1977 to 5.5% in 1978. This decline was mainly due to a decrease in production from 120,000 tons in 1977 to 101,000 tons in 1978. The delay in harvesting the 1978 crop, drought conditions and cane fires accounted for the fall in production.

On the expenditure side of the Gross Domestic Product, expenditures on Gross Capital Formation increased from 20.3% in 1977 to 21.4% in 1978. The upward trend in the level of investment expenditure both by Government and the Private Sector is particularly welcome, as it will permit the economy to generate even higher levels of income in the future.

Employment

Statistics on the unemployment situation are not available for the full calendar year 1978. The Statistical Service had to shift the timing of the Continuous Household Survey from a quarterly to a half-yearly basis during the period 1st April 1978 to 31st March, 1979 so as to carry out a Household Budget survey in the same households at the same time. As a result, unemployment statistics are not available for the end of the year and the last reliable statistics relate to the quarter January to March, 1978. These showed that the rate of unemployment for this period was 12.8% of the labour force compared with 15.2% for the same period in 1977. The figures for the following six months which, I am informed by the Statistical Service, may be less reliable as there appeared to be some under-reporting of employment, show a smaller drop, compared to 1977, from 15.5% to 15.1%. Later indications at the end of the year show a continuous downward

trend. The fall in unemployment has been more marked among females, who make up 46% of the work force, than among males.

Unemployment is widely recognised as one of our major economic problems, and efforts are being made to improve the quality of collection of unemployment statistics. Since the end of 1975 these have been derived from a continuous survey of 1% of households in Barbados; in these households everyone over the age of 15 is asked whether he or she is working or looking for work and the results are tabulated to produce the unemployment figures. Unfortunately this method has not always given results which can be measured in absolute terms and the published figures have been criticised – and rightly so – from time to time. An example of an obvious discrepancy was noted for January to March, 1978 when in spite of a slightly increased work force and a significant drop in unemployment, the number of construction workers appeared to have fallen from 7700 in September to December, 1977 to an average of only 5300 the following quarter. An actual count, based on almost 200 construction employers, large and small, revealed that the figure January to March, 1978 should have been 7,614. This and other difficulties of the survey will be reviewed later this year with the assistance of a technical expert from the United Nations Development Programme. All that can be said with complete safety at this stage is that unemployment was very high in 1975; declined by a fair margin by the end of 1976; remained much the same, showing a very small decline in 1977; and declined again in 1978. *(Cheers)*

I will deal with the results of the Unemployment Levy later in my Proposals, Mr. Speaker, and at this stage will merely state that, with over half the returns analysed, employment by the Corporations reporting increased by more than the 8% target set by Government. *(Cheers)*

Balance of Payments 1978

The Country's Balance of Payments improved considerably in 1978, moving from a deficit position in 1976 and 1977 to a surplus of \$35.7 million in 1978. At 31st December, 1978 the foreign reserves stood at \$96.6 million. This improvement which has come about inspite of increased imports and reduced receipts from sugar was due to the good performance of the tourism sector and export manufacturing. Imports increased by 15.7% over the 1977 figure; this increase was mainly due to increases in imports of intermediate and capital goods for the manufacturing sector which showed the greatest increase, and food imports for the tourist sector.

Exports increased by 12.9% over 1977, despite a shortfall of \$3.5 million in sugar exports compared to the previous year. The way was led by manufactured goods, including clothing and electrical components.

Tourist spending rose to a figure of \$275 million. But more than 54,000 journeys abroad were made by Barbadians in 1978 and Barbadian tourists spent a total of \$20 million overseas. Net tourist receipts were therefore \$255 million.

Prices in 1978

The rate of inflation in Barbados in 1978 as measured between the twelve months average of index of retail prices, was 9.5% as compared with 8.3% in 1977. The end of period increase was 11.5%. The principal factors contributing to the increase in the

inflation rate were the rise in export price of Barbados' main trading partners, combined with depreciation of the US dollar (to which Barbados' dollar is linked) against other major currencies. The low level of vegetable production helped to inflate food prices which rose by approximately 9% during the year. Export prices of Barbados' major trading partners rose to an average of 8.3%, while the Barbados dollar depreciated (along with the US dollar) by 3%. Together these two movements combined to contribute approximately 6% of the increase in price.

5.40 p.m.

Price Movements 1973-78

In 1973-75 prices in Barbados had risen at an average of 25.3% annually; over the same period in the other three More Developed countries of CARICOM the collective average was 16.4% and in Canada, the U.S.A. and Great Britain it was 11.8%. In the three years 1976-78, on the other hand prices in Barbados rose on average 7.6% a year, in Jamaica, Guyana and Trinidad they rose 13.8% and in Canada, the U.S.A. and the U.K. together 9.4%. I cite these figures to illustrate that, whereas in the three-year period 1973-75, inflation in the island was running far above inflation in the countries from which we import the necessities of life, in the last three years the position has been reversed.

It is clear that inflation still continues to pose a serious threat in the Barbados economy as well as to the purchasing power of individuals particularly because of the importance of our exports prices maintaining international competitiveness. But the facts bear out that the performance of Barbados, especially in the last three years, in terms of containing price increases in relation to other similar countries, has been a highly creditable one.

During the course of 1979 a new retail price index will be introduced into Barbados to take account of the improvements in living standards since 1965, when the last index was prepared, and it is expected that the present index will be phased out by the time of the next Budget.

I turn now, Mr. Speaker, to Revenue and Expenditure 1978-79

Current Revenue

The total current revenue of the Government for fiscal year 1978-79 was originally estimated at \$259.9 million. The provisional figures for collections at March 31, 1978, reveal that collections for the year just ended were \$318.4 million; the original estimate being substantially exceeded by \$60.5 million, or 23.5%. Revenue for 1978-79 also exceeded that of 1977-78 by \$66.6 million or 26.1%.

Current Expenditure

The total current expenditure for the year was originally estimated at \$295.1 million but, due to the determination of the Government to finance a reasonable proportion of capital expenditure through public savings, a deliberate policy of restricting the growth in current expenditure continued throughout 1978-79. Despite supplementary provisions totalling \$15.4 million, and a substantial salary increase for public officers the figures indicate a total level of spending of only \$284.1 million, well short of the original estimate. Even after payment of arrears of salary increases to teachers and to policemen, expenditure assignable to the year will be less than originally budgeted. Expenditure in 1978-79 exceeded that of 1977-78 by only 6%, or less than the inflation rate.

Capital Expenditure

The approved estimates of capital expenditure for 1978-79 amounted to \$84.5 million with supplementaries totalling \$13.9 million, making a total of \$98.4 million. Financial controls were also instituted on the capital budget. Provisional figures indicate a level of spending of \$71.0 million for 1978-79, which is 15.3% less than expenditure in 1977-78, when substantial repayments were made of past losses on unsuccessful enterprises inherited by this Government in 1976.

Public Debt

Figures for the Public Debt for the calendar year 1977 and 1978 have been given in the Economic Report. Since then there has been a slight decline in the total debt. The provisional figure for March 31, 1979 is \$370.9 million of which \$267.2 million was borrowed locally and \$103.7 million from external sources. This total is 9.1% more than at March 31, 1978.

Mr. Speaker, I consider it important to emphasise that the true measure of the impact of the Government's activities on the economy is the extent to which total public expenditure on both current and capital accounts exceeds the recurrent revenues mainly arising from taxation. This excess represents the difference which must be borrowed either at home or abroad and is reflected in the increase in the size of the National Debt. Too much pre-occupation with the *current account* of Government's operations has tended to obscure this basic fact. Indeed, recent mischievous and ill-informed comment has sought to convey the impression that there is something shameful or immoral about Government's current revenues exceeding its current expenditure.

The undeniable fact is that as a result of renewed growth in the economy and improved administrative efficiency, current revenues have increased substantially. At the same time, better expenditure control through improved financial management has led to a slower rate of growth of current expenditure without the curtailment of services. The Public Sector has therefore been able to realise appreciable savings. As a result, Government has been able to support a much higher level of overall expenditure without the need as in 1975 and 1976 to resort to inflationary borrowing from the banking system with all the adverse effects on the balance of payments which inevitably follows such financing. Thus in 1978/79, the Government spent a record \$355 million on current and capital account and succeeded in financing some 89% of this total from its own revenues. This meant that the Government did not have to resort to large scale borrowing to support its activities. By contrast, in 1974/75 the Government only managed to finance 75% of its total expenditure from its own resources and had to increase the National Debt considerably in order to meet its financing requirements.

Mr. Speaker, there is nothing scandalous about the Government realising a surplus on its current account as is now being suggested. Indeed, up to 1972, the Government's current account was virtually always in surplus, and it is only in the period since then that what may be termed a "deficit" psychology has emerged as a result of the financial policies of the former administration and its unwillingness to take those firm corrective measures which the emergence of the energy crisis demanded. As I stated earlier, what is important is the relationship between *total* public revenue and expenditure. Since Government's current and capital expenditure always exceeds its revenue, the public

sector always records an overall deficit. What is critical is the *size* of this deficit and *how* it is financed. As a result of prudent financial policies, the Government has succeeded in the past two and a half years in obtaining a better balance between its revenues and expenditure and in ensuring that record levels of expenditure are financed without recourse to ruinous and inflationary borrowing.

Budgetary Proposals

Mr. Speaker, that completes my Economic Review. It demonstrates that as a result of the timely implementation of a comprehensive range of inter-related policies – fiscal, monetary income and trade, the Government has succeeded in arresting the country's economic decline, and placing the economy back once more firmly on a growth path. Prospects for continued improvement are encouraging, but the uncertainty created by the deepening energy crisis and the possible spill over effect that this can have on levels of activity in the international economy call for the continued exercise of caution and restraint if the improvements so far achieved are to be sustained. The Government will therefore continue to apply that mix of policies which have so far proven to be effective, because the success which has been won can easily be undermined by a premature reversal of those of the policies of restraint which may still remain necessary.

The 1979 Budgetary Proposals will seek to build on the improvements so far achieved and to push the economy further along the road to recovery. The major objectives which policy will seek to achieve may be summarised briefly as follows:

- (1) the need to mobilise additional domestic savings and channel the resources so realised into productive avenues of investment for employment generation;
- (2) the need to promote higher productivity by providing incentives, tax and otherwise, for greater personal efforts by Barbadians;
- (3) the critical need to ensure maximum energy conservation, especially in view of the fact that the major part of our petroleum supplies are still obtained by the use of scarce foreign exchange earnings.

First, Mr. Speaker, National Savings.

The term "savings" in the context of a national economy refers to that portion of total income which is not spent on consumption and therefore represents potential new investment or an increase in the nation's stock of capital goods. Such an increase is essential for increased production and hence increased employment and income, and the need for an economy to generate a sufficiently large amount of savings is vital.

The major sources of savings in any economy are corporate revenues, individual incomes and the public sector through revenue surpluses.

When we look at the Barbados situation we find an economy with a relatively high per capita income level but characterised by a historically inadequate savings performance. Although the available information is somewhat sketchy, it has been estimated that Gross National Savings as a percentage of the Gross Domestic Product approached 7.7% during the years 1966–1968, whereas private savings over the same

period averaged little more than 2% of the GDP. This low level of savings was complemented by direct foreign investment, which was usually adequate to fill what is called the resource gap. It was essentially private investment and it was attracted by profitable opportunities, particularly in Tourism and Manufacturing, thus helping to propel economic growth. The inflows of capital also had the effect of facilitating a faster growth of imports than exports. Since the investment was principally in equity, dividends were paid and repatriated only if the enterprise proved profitable, thus moderating the pressure on foreign reserves. The consequence for Barbadians was a relatively high level of consumption, as most of their saving and investing was being generated externally.

With the earlier part of the 1970's came a changed situation. In the three-year period until 1976 the economy was characterised by marginal and even negative real growth as a result of both low real production and accelerated inflation. The economy's vulnerability to external economic conditions was apparent as the stagflation in the major world economies was reflected in a decline in real private investment in the local manufacturing and tourism sectors. The situation was further aggravated by a continuing decline in sugar output and the low-level fluctuations of the sugar price on the world market. The resulting situation was severe pressure on the Balance of Payments, which showed itself from 1973 to early 1975, was ameliorated by high sugar prices in that year but was particularly acute during 1977. The decline in private investment as a percentage of the Gross Domestic Product was therefore a major factor in the stagnant growth rates observed. Central Bank estimates show, for example, that whereas private domestic investment averaged 19.1% of GDP during the period 1972-73 it fell to 15% in 1976.

This Government is committed to pursuing high levels of economic growth as part of overall strategy for improving living standards and increasing employment. It accepts the need for high levels of saving if satisfactory rates of growth are to be achieved and maintained, and I consider that we cannot continue to place the same heavy dependence indefinitely upon foreign inflows of private capital. Such capital will however continue to be encouraged as a matter of policy. Over the Development Plan period 1979-83 the Government will be implementing or continuing several projects requiring heavy capital outlays. It is hoped that significant portions of the costs of these projects will be met from foreign sources, mainly from overseas financial institutions. These sources have been drawn upon in the past for financing some major projects and it is expected that they will continue to be important means of financing capital formation.

It is, however, inadvisable to hope that we can indefinitely look to international institutions or foreign Governments to provide significant portions of our capital needs. Such a policy will eventually mean coming to terms with the hard facts which persistent debtors face, namely the problem of managing large debts. Although Barbados at present has quite a modest level of external public indebtedness, heavy reliance on external borrowing can soon result in a heavy debt burden. The potential problem can be magnified if "soft" or low-interest loans are no longer obtainable, and with our improved economic position we are increasingly disqualified from borrowing on these easy terms.

This leaves no doubt of the need to finance increasing proportions of our capital investment both private and public, from domestic sources. Private sector savings will be important and efforts must be made to realise the potential which exists.

This need, which has been discussed and acknowledged by the National Economic Council, has prompted the declaration of 1979 as National Savings Year. Since the realisation of a true savings year requires specific measures to mobilise national savings, I will now outline proposals for increasing these savings.

Mortgages and Housing Development

In an effort to tap institutional savings to provide liquidity in the mortgage market and to ease the problems of money supply in this important area of national need, I propose the introduction of a secondary market for mortgages. This will give financing institutions the power to trade in mortgages. The Central Bank will be empowered to act as a lender of last resort, buying mortgages as a means of injecting liquidity into the system and selling when liquidity is not a restraining consideration. Since I am proposing that private investors should also be allowed to hold mortgage instruments, adequate guarantee by Government or insurance coverage will be provided to cover risk.

There is a large unsatisfied demand for mortgages in the \$12,000 to \$30,000 range, for which traditional sources of financing may no longer be adequately responding. Many potential borrowers within this range have to face the usual terms of the mortgage market; in some cases more stringent conditions are imposed because of shorter repayment periods. The Barbados Mortgage Finance Company does provide loans within this range at an interest rate between 8% and 9%, but funds are limited. I propose that to increase funds available to these smaller borrowers, smaller men perhaps wishing to build houses, investors purchasing mortgages in this range originally provided by the Barbados Mortgage Finance Company will be guaranteed a minimum earning above that charged by BMFC. The precise amount will be determined according to the needs of the market. For example, a mortgage issued at a charge of 8% to the mortgagee could be purchased by an investor with an earning rate of 10% per annum, guaranteed by the Government, which will pay the 2% difference between what the mortgagee pays and what the private investor earns. This proposal will have the effect of releasing funds to BMFC for further onlending, as well as keeping down the rate of interest to the small man.

I consider it desirable to provide incentives to companies and individuals who build stone houses for sale, since they are assisting Government in fulfilling the demand for housing. I therefore propose to grant such developers rebates of the land tax payable during the year preceding completion and the year of completion of single or condominium units for sale. I also propose a reduced rate of Corporation Tax of 20% instead of 45% on profits derived from the building and sale of two or more wall houses in any one year.

National Savings Certificates

The comparatively low yield on treasury bills and the lack of liquidity provided by debentures have resulted in diminished public, as opposed to institutional response to these investments. The present needs appear to be the issue of appropriate instruments providing liquidity, attractive rates of interest and an investment opportunity for the smaller saver.

It is proposed to meet this need by issues of National Savings Certificates in denominations within the reach of the smaller saver. It is intended that the profitability of the certificates will be competitive with the yield on savings deposits and that earnings will be tax free up to a total of \$10,000 in certificates per individual. The certificates will also be negotiable for cash.

Personal Savings and Investment

Save-as-you earn schemes, by whatever name called are being offered by some commercial banks in Barbados by which fixed sums monthly are deposited with the bank for a specified period, at the end of which a bonus is paid. The system is easy to administer and convenient to the small investor. I propose that such a system be introduced by the Barbados National Bank, whereby the depositor can select his monthly payment from a minimum of \$10 to a maximum of \$100 per month for a minimum period of two years when the total savings, plus a tax free bonus, will be paid to the depositor. The total target figure will be life-insured so that the total amount for example \$2,400 where a two year, \$100 Plan is selected, will be paid on death of the depositor before maturity of the plan.

Representation has been made to the Government that as part of National Savings Year, savings deposited with duly registered Co-operatives or Credit Unions be tax deductible up to a limited amount, provided that such savings have been held for a period of not less than twenty-four months. I propose to give favourable consideration to the idea of assisting investment in co-operatives and credit unions and discussion will be opened with the organisations concerned to settle details of a suitable scheme.

I turn now to the mobilising of direct savings for development in the private sector. I consider that my previous proposals, which essentially consist of placing money in the hands of institutions for further investment, should be matched by proposals which will give direct opportunities for personal investment in productive activity through share ownership of the wealth of our country, which I view as an important objective in itself. I therefore intend to throw the full weight of the government behind the establishment of the proposed Stock Market to provide for free trading in securities and shares in public companies.

To make shareholding as attractive as holding property in other forms, I propose that the same concessions now extended to persons who own property in the form of land at the time of their deaths will be extended to persons who hold stocks and shares, and that death duties on shares will be payable in instalments in the same way as death duties on houses and lands.

In order to encourage both saving and wider spread of ownership in companies, especially by workers, a bonus share scheme will be instituted permitting the conversion into shares of up to one half the value of any annual bonus paid to employees, subject to a limit of \$1000. Any such amount of bonus converted to share purchases will be deductible for income tax purposes provided that the shares are held for a period of five years from the date of issue. In the event of disposal within five years, the amount shall become taxable to the vendor at his highest marginal rate for the year during which they are sold. Any portion of a bonus paid to employees in shares will be treated for tax

purposes for the company in the same way as a cash bonus would have been treated. Share bonus schemes of this sort have led to the growth of some of the greatest enterprises in CARICOM, and I look forward to seeing employees assist in the ploughing back and saving process which will create the capital to provide better opportunities for them, and not only for a limited class of owner, in the expansion of industrial and commercial enterprise in the country.

The question of bonus shares in a different sense has arisen recently, with the warning by the Commissioner of Inland Revenue to the Accountants' Association that a legal opinion is being sought on the assessability to income tax of bonus shares issued out of a company's retained earnings to its existing shareholders. I have carefully considered this matter and have concluded that the prospect of a tax-free issue of bonus shares has been in the past and is a powerful inducement to investing in ordinary shares of a company especially individual inducement. The deferral of dividends which gives rise to the issue is in itself an act of saving, and in National Savings Year it would be inappropriate for such an inducement to be reduced in any way. I have accordingly instructed the Commissioner that it is the policy of the Government not to have bonus shares assessed to income tax, and legislation to put the matter beyond doubt is now under consideration.

The final point which I will make in this area, Mr. Speaker, relates to the position of private companies. The Government appreciates that there may be many circumstances in which it is useful, perhaps imperative, for a small business to turn itself into a private company. In Barbados, however, a number of major private companies whose shares are not available for sale to the general public exercise considerable dominance over important areas of economic activity.

The Government does not wish to encourage this trend, and is considering positive steps, by way of both incentive and penalty, to persuade large private companies to become public and permit wider ownership of their shares. No steps to this end are being taken in this Budget, but they can be expected in next year's Financial Proposals. In this way the public will have access to yet other investment areas to enhance its capacity to save.

Taxation

Mr. Speaker, I turn now to the subject of Taxation. It is a truism that taxes of whatever kind transfer resources from households and companies to Government, and the incidence of particular types of tax largely determine the attitude of the taxpayer towards the tax system as a whole. Over time, as the economic structure of a country changes and as various activities expand in importance while others decline, a given tax system can produce quite different results to those originally intended. It is therefore not surprising that in Barbados where the economy in the past twenty-five years has undergone basic structural transformations the relative importance of various taxes in their contribution to total revenue have altered quite dramatically. It is a basic fact of economic life that in a mature economy in which incomes have risen and in which domestic production is expanding significantly, the contribution to taxes on incomes and profits increases, while the contribution of indirect taxes such as taxes on international trade declines. An examination of the relevant information reveals that this pattern of development is observable in Barbados. The proportion of taxation originating in import duties has declined from 24% in 1968-70 to 19% in 1977-79 while in the same period taxes on incomes and profits have risen from 36% to 42% of total revenue.

In some quarters, these facts have been mistakenly used to argue that Barbados is an overtaxed country, without any qualification. However, objective analysis does not bear out this conclusion. The yield of taxation in any economy is a question of the taxable capacity of that economy and of the tax effort which the citizens who live in the community, and who benefit from the taxes paid, are prepared to make. Taxable capacity in turn is a function of the level and distribution of income, the openness of the economy and the stage of development of the country.

The tax effort is the quantitative expression of the degree to which this taxable capacity is exploited, and is dependent on tax rates in force at any time and the level of administrative efficiency in collecting these taxes. In effect therefore, a country's tax effort, which may be judged by the ratio of current revenue to Gross Domestic Product, can be taken as an indication of the ability of the economy to generate the revenue required to sustain economic and social development.

In 1978-79 Barbados' current revenue from all sources approximated 33% of the Gross National Product. While in the majority of developed countries the comparable figure is in excess of 40%, in the majority of developing countries, the figure is less than 20%. At the same time it is now internationally recognised that in many respects Barbados' social and economic infrastructure is more like that of a developed than a developing country. These two facts are not unrelated. It is because successive Governments have followed progressive policies of income distribution, and because the community has made extremely commendable tax efforts that Barbadians today enjoy the standard of living which they do. Without adequate revenues of the level currently being generated, such development would have been impossible.

However, there is no doubt that, as development has proceeded, the incidence of various taxes has altered quite noticeably. In particular, it is now apparent that the combination of high and fixed marginal rates of tax rates on personal income, and high levels of inflation has resulted in wages, salaries and pensions bearing a disproportionate share of the total tax burden. Government recognises that the effect of this could well be to blunt incentives and to reduce productivity especially in areas where extra effort by managerial and skilled personnel is required. Accordingly a review of the tax system has been undertaken and it is considered that there is justification for redistributing the tax burden in such a way that the incidence of direct taxation on wages, salaries and pensions is reduced and commensurate changes are made in the structure of property taxes and of some indirect taxes. In addition, it is considered that in areas where the costs of providing certain services are escalating because of factors outside the control of Government, charges be adjusted to reflect the higher operational costs.

Corporate Taxation

Mr. Speaker, the first item of specific taxation with which I will deal is corporate taxation. I have already touched on the fringes of the subject in dealing with bonus shares and certain aspects of National Savings Year. I do not propose any increase in corporation tax for this year, and the only change of substance to be made is the tax rebate for house building. I wish however to report to the House on the Employment Levy. This was first envisaged in the Budget of 1977. It was vigorously attacked by the big corporations and when it reached Parliament, by the Opposition. It was even described as "economic madness" by a senior public officer, who should have known

better; and it was described last month as a failure by the Leader of the Opposition, who clearly did not know better. Contrary to all that has been said about the levy, it has paid very handsome dividends in new employment. With about half the returns in from Corporations, there has been an improvement of over 85,000 man weeks in work from 1977 to 1978, an increase so far counted of 1650 jobs. This number will rise further, as a number of businesses which have asked for an extension of time for filing their returns are known to have improved employment significantly in 1978. The increase in employment among firms so far reporting, is 9.7% and refunds of \$2.57 million have been approved out of \$3.8 million collected from those firms, or almost 68%. The total amount collected from the levy is \$6,092,114 and the projections are that \$4 million will be repaid. The principal areas of improvement are construction, distribution, hotels and general services, but employment has increased in every major sector taken as a whole.

Mr. Speaker, we can at once see that, contrary to claims that the levy was just another tax, or that corporate profits would be adversely affected, it has proved a most useful device for dealing with a major economic problem. For it has improved employment, has increased without reducing corporate profits or incidentally Government's receipts from the Corporation Tax.

The number of jobs induced by the levy is further remarkable in that, dividing the refunds by the jobs, we arrive at a figure of only \$1,561.00 per job. This compares very favourably with the cost to Government of creating the 1010 new jobs on industrial estates in 1978 where for the main part businesses are exempt from the levy. This cost was \$4.4 million in factory construction and \$600,000 in promotion abroad, a total of \$5 million or \$4950 per job. Further this \$5 million was voted from the Treasury and handed to the Industrial Development Corporation. The Employment Levy was raised directly from the employers themselves.

It only remains to fix the rate and set the levy target for 1979. I have decided that the rate shall continue at 2½% and that the employment target shall be 13% over 1977. This will cover the 8% already targeted for 1978 and add 5% more for 1979. Firms already over the 8% mark will thus be on their way to meeting the 1979 target.

Lastly, in the area of Corporation Taxation in recognition of the impact of inflation on the level of incomes in the upper tax brackets, I propose to increase the level at which gross incomes of corporate employees may be charged as taxable expenses from \$40,000 per annum to \$50,000 per annum. This concession is estimated to cost the revenue \$300,000.

Individual Income Tax

I come, Mr. Speaker, to individual income tax. Two years ago in my first Budget, Mr. Speaker, I expressed my feelings on the subject of income tax. I said then "I believe that the tax system in Barbados needs to be revised to provide more incentive for individual effort," and despite the much less favourable fiscal climate prevailing at that time I introduced the tax credit and increased a number of the allowances. Later that year I made specific offers to the Workers and Teachers Unions of income tax concessions as part of wage restraint proposals. I now consider that the time is right for an instalment of comprehensive reduction of the burden of income tax. I therefore propose the following changes with effect from the current year, Income Year 1979.

6.20 p.m.

First, in keeping with the Government's policy of total equality between the sexes, I propose that there will be completely, separate assessment of incomes where both husband and wife are working or have income. Earned and unearned income will be attributable to the relevant source and a full insurance allowance as well as the single person allowance, will be available to both parties. *(Cheers)*

This change will not affect married persons whose partners have no income who will continue as now to file one return, whether it is the husband or the wife who is not at work.

Rates

I propose to abolish the 5%, 15% and 25% tax rates. The first rate which will apply will be 10% and it will apply to taxable incomes up to \$3,000 instead of \$2,000 as at present. The next rate of 20% will apply up to \$5,000 instead of \$4,000 and the 30% up to \$8,000. These changes will reduce the tax on all incomes above the \$3,000 level. *(Cheers)*

Tax Credit

To offset the impact of the elimination of the 5% rate on incomes at the lower end of the scale, I propose to increase the tax credit to persons with a gross annual income of less than \$6,000 per annum from \$60 to \$100. *(Cheers)* Together with measures which I will announce shortly, this concession will cost the revenue \$1 million which represents the reduction in tax payable by this income tax group.

Personal Allowances

I propose the following increases in allowances:—

- (1) The single person allowance will be increased from \$1200 to \$1600. Married persons who can only claim \$1000 each when filing separate returns now will be able to claim \$1600 each. Because of the introduction of separate assessment, the wife's earned income allowance of \$800 will be abolished and each partner will now file separately claiming the increased single allowance.
- (2) The allowance for married persons whose partners have no income will be increased from the present level for a joint assessment of \$2,000 to \$3,000;
- (3) The allowance for children under the age of eleven will be raised from \$300 to \$400 and that for children between the ages of 11 and 16 and who are at school, from \$400 to \$500;
- (4) The allowances for dependent relatives will be raised from \$240 to \$500 and the income allowance from \$120 to \$250;
- (5) The allowance for a housekeeper will be raised from \$240 to \$500. *(Cheers)*

No increase is proposed at this time for medical fee allowances because of the very great changes which will be imposed on the structure of payment for medical care which will soon be brought about by the National Health Service.

Insurance Allowances

In recognition of the important role played by insurance in providing for the security of individuals and in generating national savings, I propose the following increases in insurance allowances:

- (1) The maximum allowance for annual life insurance premiums will be increased from \$1,300 to \$1,500 per annum;
- (2) In addition, I propose to restore the pre 1953 concession to allow insurance on the life of a child under 18, with a limit of \$500 annual premium;
- (3) The tax free allowance for contributions to a Registered Retirement Plan will be raised from the \$1,000 per annum or 10% of earned income, whichever is less, to the lesser of \$1,500 or 15% of earned income, to bring it in line with the exemption granted for insurance premiums. *(Cheers)*

Tax Relief on Dividends

As mentioned earlier, I consider that in National Savings Year additional incentives should be given to encourage investment in the shares of Companies. Accordingly, I propose to increase the dividend credit from one third to one half on cash dividend up to \$1,000 per annum. This in effect means that tax credit on dividend income which at present is 25% will now be increased to 33 1/3% on cash dividends not exceeding \$1,000. To ensure that no hardship is suffered by those individuals with low incomes, but with dividends exceeding \$1,000 per year and who at present get tax refunds, I propose to grant the increased dividend credit to any individual with gross income not exceeding \$6,000 per annum, irrespective of the amount of the cash dividend received.

House Ownership

Mr. Speaker, Sir, after careful study of the many issues involved, I have decided to introduce certain changes in the structure of taxation applying to owner-occupied houses to bring it more into line with modern tax systems elsewhere. These changes will take effect from income year 1980.

6.30 p.m.

It has long been recognised that the rateable values applied to owner-occupied houses are a left-over from a previous mode of taxation and bear no relationship to current day values. The delay in instituting change has been caused by a fruitless search for an acceptable substitute. I propose instead to change the whole approach to taxation in this area. No longer will the tax system impute a value to occupation of a house by its owner and then make provisions for expenses incurred in realising this theoretical income. Accordingly, from income year 1980, the assessment for tax purposes of the rateable value of an owner-occupied house will be abolished and a man will not have to pay income tax for the privilege of living in his own house. The tax system will instead provide tax relief for the reasonable cost of acquiring and maintaining the house in which the owner resides.

I propose therefore that mortgage interest up to \$6,000 per year will be allowed as a deduction for income tax purposes. This represents a very reasonable figure, given

present day costs of construction. Those individuals whose high income permits them to sustain mortgage payments in excess of \$6,000 per year will understand that a balance has to be struck, since it is not possible for the community as a whole to continue to give a full subsidy to expensive tastes in house building.

I propose to allow a reasonable allowance for annual repairs. The precise figure will be decided on after a study of the factors involved, but it will be based on a percentage of the taxable value of the house. I should however point out here that prior to 1955, repairs were allowed on the basis of a three year average – that is, the amounts expended were averaged over three years. In 1955, as a result of the damage and destruction to property caused by Hurricane Janet the Income Tax Act was amended to allow taxpayers to claim the actual repairs incurred each year. The present Act contains the same provision, but in most other tax systems, repairs are not allowed at all as an expense. The Government recognises, however, that it is in the public interest to ensure that our housing stock is maintained in good condition and so it is proposed to continue allowing reasonable expenses incurred in effecting repairs to be deducted from income for tax purposes.

Mr. Speaker, the package of concessions which I have just announced is estimated to cost the revenue some \$11 million. This represents a very sizeable reduction in the burden of personal income taxation in this island. If I may take a few examples, a married man with two children and no other allowances whose wife is not working will not begin to pay tax until he reaches an approximate income level of \$4,000 annually. Previously he began to pay at \$2,700. If he works for \$100 a week his tax for a whole year will now be \$30. Previously it would have been \$165. If his salary was \$1,000 monthly his tax, previously \$2,055 in a year, will now be \$1,635. And a married woman earning just under \$500 per month who, after the credit, previously paid \$690 on a separate assessment, will now pay \$480.

It is the Government's hope that a major portion of the increased disposable income now placed in the hand of the taxpayers will find its way into some of the attractive savings instruments to which reference was made earlier.

Mr. Speaker, I recognise that taxpayers will wish to enjoy the benefits of these concessions as soon as possible. Already their salaries will have been subjected to PAYE deductions for four months at the existing rates, and it will take some time for the new tax tables to be drawn up. Accordingly, I propose that for the month of June, employers shall be instructed to make no PAYE deductions for that month where the deductions are less than \$600 or less, or to subtract \$600 from the deductions if they exceed that sum. The new tax tables will be effective from 1st July, 1979 and I further propose that any overpayments of tax still outstanding as a result of earlier PAYE deductions should be returned to the employee in the month of December, in good time for Christmas. The new tables will, as far as possible, be constructed so as to relieve persons earning less than \$50 weekly from having to make PAYE deductions at all, since with the new credit the tax liability of such persons will for the first time effectively be nil. I also propose that, as from next year, in order to maintain PAYE deductions and to avoid the inevitable delays consequent upon claiming refunds, a portion of mortgage interest payments being made be included, at the taxpayer's choice, in his allowances for PAYE purposes.

I turn, Mr. Speaker, now to Property Taxation.

The year 1973 saw the introduction of a new system of land taxation in Barbados based on charging tax as a percentage of the value of the property. This put an end to the old rating system used under local Government. Since then the contribution which land taxes have made to Government revenue has declined from more than 5% in the last year of the old system, to only 2½% in the fiscal year just ended. There has also been a great increase in the inequality of the burden of the tax, for the smaller house and land owners are paying more where large property owners are actually paying less. There are big buildings in Broad Street and Central Bridgetown which I have discovered are paying less in taxes now than they did five to eight years ago, and average taxes for very high value properties have generally declined. This is a direct result of the scales of taxation adopted by the previous administration which cast a greater weight upon the small taxpayer than upon the large. I have therefore decided to introduce a sliding scale for land taxation, and I propose that for unimproved properties the first \$50,000 of site value will continue to be taxed at the current rate of 1¼% annually but that the tax rate will be 2% thereafter. For improved properties the current rate of ½% per annum will remain for the first \$250,000 in value and a rate of 1% charged thereafter. Taxes on the overwhelming majority of properties will not be affected by the new rates – in fact only 2,132 properties out of 54,287 or less than 4% can have increases – but many of these are large agricultural holdings. In keeping with government's general policy of encouragement of agriculture, I propose to grant a rebate of the increased rates to any agricultural property owned by Barbadians or permanent residents of Barbados; or by any company incorporated and resident in Barbados which is controlled by Barbadians. The exemption will be granted on application supported by a certificate of good husbandry from the Ministry of Agriculture. The revised tax structure will be effective from the current financial year.

Lastly, under Property Taxation, Mr. Speaker, the form of taxation known as the Betterment Levy. This was introduced in 1962 as part of a scheme of Land Development Duties. It provided that in an area where a Development Duty Order had been made a special charge could be imposed on property owners to enforce the payment of a proportion of any increase in the value of the property consequent upon developments carried out in the area by the Government, whether the property concerned was sold or not. The areas actually affected were the East Coast Road and a part of Cave Hill, St. Michael. Seven years after the Levy Legislation was introduced, a new Land Valuation Act charted a different way for Government to obtain some proportion of increased land values through taxation. Nothing was done, however, to adjust the position of the levy.

I have considered the matter and I consider that there is a strong element of double taxation in the use of the Betterment Levy and I therefore propose to abolish it altogether by repeal of the relevant provisions of the Land Development Act. All amounts paid under the levy will be refunded, whether to the old age pensioners and others owning land along the East Coast Road, or the public officers and other homeowners of Cave Hill.

I turn to Taxes on Goods and Services.

Mr. Speaker, the process of metrication moves on and all the items in the existing Consumption Tax Order which are charged in imperial measurements are now due for change. Seventeen items fall to be metricated and I have made small adjustments in 14 of them, some up, some down, and some the same. I have reduced the consumption tax on

cement from 10 cents per 100 lbs to 10¢ per 50 kilograms, and I have marginally increased the charges on spirits from \$15 per gallon to \$4.00 per litre, with blended whisky and brandy going up a little more. In three cases however I propose specific charges in rates. In the case of beer, which has carried a tax of \$1.50 per gallon, equivalent to 40 cents a litre, since 1975, I propose to raise the consumption tax to 45 cents per litre. Soft drinks have carried tax first imposed by the Honourable Member for St. John in the Budget of 1963 varying from 1 cent on a small bottle to 1½ cents on a large bottle with a special rate for extra large containers. I propose new rates of tax for these aerated mineral waters in containers and malt beverages as follows:—

Not exceeding 207 millilitres	2 cents per container,
Exceeding 207 millilitres but not exceeding 355 millilitres	3 cents per container
Exceeding 355 millilitres	.01 cents per ml.

The final change is that of Bitters, not exceeding the strength of proof. I propose substantially to reduce the tax on this Caricom product from \$17.40 per gallon or \$4.60 per litre to \$1.32 per litre.

These changes which are effective from midnight tonight, are published as an Appendix which forms part of these proposals.

I turn next to Concession to the Fishing Industry

Although Barbados is a great fish eating country, annual fish landings amount to no more than three to four thousand tonnes. Fifty per cent of this quantity is usually landed between December and April but even then the quantity of fish landed is inadequate for our needs. The Government would welcome a resurgence of boat-building in Barbados to expand our fishing fleet and accordingly I propose that import and consumption duties be waived on certain raw materials, components and ingredients for use in the manufacture of fibre glass boats. The necessary Order will shortly be laid in the House.

Mr. Speaker, the next field to which I turn is the very wide one of taxation and related matters in the area of transportation. First bicycles and animals. Under the Highway Act everyone except a child under the age of 8 and all owners of carts horses, mules and asses have to pay an annual licence fee, charged per wheel in the case of bicycles or carts. The revenue is negligible but a good deal of clerical officers' time is wasted in collecting it. I therefore propose to abolish annual licensing for all these items, as from this year. (*Cheers*) I wonder how many hon. members own bicycles. It is obviously an unexpected number, Mr. Speaker. Evidently the Opposition do not own them. Starting in June, 1979 a single fee of \$3.00 will be paid to licence a bicycle or cart (no matter how many wheels it may have) and \$1.00 will be payable on transfer of ownership. No further fee need be paid. A licence plate will still be given for purposes of identification, but this will now become permanent. This proposal does not apply to what are described as cane carts, which will continue to be charged at \$75.00 per annum and animals will be relieved from licensing altogether.

I propose to make a number of relatively small adjustments in motor vehicle taxation. First motor lorries. It has been drawn to my attention that the rate of highway tax on lorries and other similar vehicles of approximately 11 metric tonnes weight has proved a burden on many owners of vehicles in this category. I therefore propose to extend the class of vehicle to which the rate of \$500 per annum applies from vehicles exceeding 7,000 kilograms but not exceeding 10,000 kilograms to an upper limit of 11,000 kilograms, adjusting the higher class accordingly.

Mr. Speaker, I turn now to Petroleum Products.

Barbados' dependence on imported oil to satisfy some 80% of its energy requirements exposes the island to sudden price rises resulting from factors over which we exercise absolutely no control. Towards the end of 1978, the OPEC countries announced a phased price rise which was calculated to raise oil prices on average by 10% in 1979. The subsequent upheaval in Iran has cut world supplies and led to further price rises and present indications are that the rise in the price of oil supplied to Barbados will be in the region of 30% above 1978 levels. This will add some \$10 million to the island's import bill. The response to this critical situation must be threefold – increased domestic production, use as far as practicable of alternate sources of energy, and greater energy conservation.

The problem of conservation can be put quite bluntly. Each and everyone of us will have to use less oil and pay more for it. To acquire oil we must use one of our scarcest resources – foreign exchange – and the price of petroleum products must reflect this scarcity value. To suggest, as some misguided persons have done, that the Government should subsidise the price of petroleum products is totally unrealistic. Foreign exchange used for the purchase of petroleum means foreign exchange that is not available to purchase food, raw materials and capital equipment. Countries far richer than Barbados including the U.S.A. – have announced conservation programmes in which charging prices for oil which reflect its true scarcity value is a key element. To follow any other policy is to encourage waste and over-use.

In our region Barbados is virtually alone in not yet having imposed increases on motor fuels, for in the six months since the first of the most recent series of oil price increases, the domestic prices of gasoline and diesel have not been changed. The Government considered that it would be better to await the outcome of the various pricing decisions being made by the major suppliers rather than have to make frequent perhaps monthly, adjustments in the price level. Marketers have as a result suffered actual losses on gasoline and diesel supplied to the public and it will therefore be necessary to permit them to recoup what they have lost since October 1978 as a result of the prices remaining fixed. It is proposed to incorporate a special margin into the price structure of all petroleum products to provide for recovery of these losses over a period of not less than six months. Whether or not it will then be possible to remove this special margin, which amounts in round figures to 2 cents per litre, will depend on the movement of oil prices during the remainder of this year. In addition, it has been decided, following representations that there should be a slight upward adjustment of the basic margins set in April, 1978 for marketers and retailers and which have since been eroded in the light of the increase in their operational costs.

Effective mid-night tonight, therefore a revised schedule of retail prices for gasoline, kerosene and diesel comes into force. These prices are based on the posted Caribbean Platts oilgram prices for April 1979 for oil imported into Barbados and the provisional ex-refinery prices for May 1979.

First to deal with gasoline. In addition to the factors listed earlier, the Government considers that it is necessary partially to restore the real incidence of the tax on gasoline, since this has been eroded as a result of the dramatic increase in the ex-refinery price. Accordingly, the retail price of gasoline which was set in April 1978 will be increased from 64 cents per litre to 82 cents per litre. This increase of 18 cents per litre is made up as follows:

Increase in product cost	11.5 ¢/litre
Special Marketers' margin	1.84¢/litre
Increase in Marketers' April 1978 margin	0.19¢/litre
Increase in Retailers' April 1978 margin	1.5 ¢/litre
Increase in Tax	3.0 ¢/litre

Next kerosene. No increase in the tax on kerosene is proposed. The retail price, which was set at 36 cents per litre in January 1979 will be increased by 7 cents per litre to 43 cents per litre.

Finally diesel. The tax on diesel fuel used to be the same as on gasoline. In 1973 it represented over 40% of the retail price; it now represents only 24%. There has, indeed, been no increase in tax since 1970. I therefore propose to increase the road tax by 2 cents per litre. The retail price of diesel 48/52 with Road Tax, which was set in April 1978 at 42 cents per litre will be increased by 14 cents per litre to 56 cents per litre. The retail price of 43/47 diesel without Road Tax which was set in April 1978 at 31 cents per litre will be increased to 43 cents per litre. This is diesel for fishermen.

Motor Vehicle Tax

Also in the area of energy conservation, I propose changes in the purchase tax on motor cars. Large and expensive motor cars not only consume more foreign exchange to bring them here, they consume more gasoline when they get here. I accordingly propose, effective immediately, an increase of 25% in the Motor Vehicle Tax on motor cars of a cost, insurance and freight value (not sale price) of \$10,500 and over. This will bring tax on these vehicles to 100%, 45% import duty and 55% motor vehicle tax. Price control will also be extended to cover vehicles up to this same c.i.f. value of \$10,500. I would emphasise that I am dealing only with cars which now sell for \$20,000 or more, not cars of a lesser present price of \$20,000. If members of the Opposition think that the fact that those who wish to buy cars at \$20,000 is a matter for laughter, then I will have to leave them with their special interests.

Transportation for the Tourism Industry

Government attaches the highest importance to ensuring the maintenance of an adequate ground transportation fleet for the tourist industry. This is a vital ancillary service which is almost totally dominated by Barbadians, and which increases the

retention of the tourist dollar in the island. As part of its comprehensive policy in this area, Government has accorded preferential treatment in the issuance of import licences to vehicles which will be used for hire to tourists. Government has also accorded duty free entry for coaches imported exclusively for use in the tourist trade. As a logical expansion of this policy and in recognition of the vital role played by taxis, it is now proposed, for an experimental period of three years, to accord duty free entry to all vehicles imported to replace taxis ten years old and over which have been in operation as taxis for at least five years. As an energy conservation measure this concession will apply only to vehicles which have diesel engines. It is an established fact that diesel engines are far more economical than gasoline engines, and it is considered that those in the taxi business should be encouraged to switch to more economical units. This concession will be available to individuals and corporations who will have to have tax clearance and will have to satisfy the Comptroller of Customs of actual use as a taxi of the vehicle being replaced. If the new vehicles imported pass out of use as taxis within 5 years of importation the duties will have to be paid.

Credit Policy

Credit Policy with respect to motor vehicles will continue to emphasise controlling the growth of consumer spending and channelling resources into manufacturing, tourism, agriculture and construction. However, a review of the current economic situation indicates that some relaxation of credit restrictions on the hire purchase of certain consumer items now appears possible. Accordingly, the Central Bank has submitted revised credit regulations relating to motor cars and motor cycles, and as Minister of Finance I intend to make the following changes by virtue of an Order which will be published in the Official Gazette immediately.

For motor cars between a value of \$13,000 and \$20,000 on which down payments of 50% now have to be made, the down payment will be reduced to 33 1/3%, and repayment time extended to 24 months. All cars costing up to \$20,000 will therefore have a one-third down payment and two years to pay. A down payment of 50% will have to be made on cars costing between \$20,000 and \$30,000 and the instalments paid within 18 months. The down payment for cars of a higher value than \$30,000 will also be 50% but repayments will have to be complete within 12 months. A down payment of 25% will attach to motor cycles of value less than \$3,000 and repayment may extend over 24 months. The figures for motorcycles of a value greater than \$3,000 are 40% down payment and 18 months repayment.

In addition to the relaxation on credit restrictions, the Import Licencing Review Committee will in June review the import quotas established for 1979 against the background of the most recent developments in the economy. Quotas for importation of goods under licence will be revised in the light of the prevailing foreign exchange situation and within the frame work of the established policy which gives priority in use of foreign exchange to imports of capital and intermediate goods for the productive sectors.

Bus Transportation

Last year negotiations for the takeover of the private concessions were completed and the entire bus transportation system in the island is now centralized under the

Barbados Transport Board. The Board, now under competent and imaginative leadership has embarked on an ambitious programme of reorganisation and re-equipment which is being implemented in phases. Over the past three years, the Board's fleet has been upgraded by the acquisition of 145 buses. Of this number, some 105 have been imported as chassis and the bodies fabricated locally, thus providing a source of employment for Barbadians. Additional purchases are planned to provide the Board with adequate capacity to discharge its obligation. The re-equipment programme is being directly financed by Government, but the Board is expected to generate income to assist in providing replacements over time.

In addition to upgrading the fleet, the Board has been reorganising its route structure to provide regular and effective transportation for the travelling public. Clearly, to maintain these improvements, the Board needs to generate adequate revenue. This is especially crucial in the light of increased operating costs which will be incurred in this current year as a result of higher fuel costs, and 25% higher wages following recent Union negotiations.

As a result of these rising costs, the total financing gap of the Transport Board would rise to over \$5 million in the current year if the present rate structure is maintained. An increase in fares is therefore necessary if a minimally acceptable balance between operating revenue and expenditure is to be restored. Accordingly effective June 1, 1979 the single-stage bus fare will be raised from 35 cents to 45 cents.

PRICES OF PUBLICLY PROVIDED SERVICES

Utilities

Mr. Speaker, I turn to another utility provided by the Government, water services. In 1976 the previous administration agreed with the Inter-American Development Bank that rates for the supply of water and sewage services in Barbados would have to be raised to the point where revenue covered operating costs. It is becoming increasingly clear that with the limited scale but very high cost of the Bridgetown Sewage Scheme, the main brunt of the pledge will have to be borne by users of water. The deficit at the Waterworks is well over \$6 million annually and the recurrent operating deficit more than \$4 million. It is therefore necessary to impose another instalment of rate increases to bring the Department nearer the target agreed by the previous administration with the Bank. I propose to change the basis of charging for metered supplies. First, rent for water meters will be abolished. Secondly a limit will be put on how much water may be consumed and paid for at domestic rates, and the commercial rate will apply at higher levels of consumption. I propose to set this limit at 150 cubic metres, about 33,000 gallons, per quarter, which is approximately average consumption per household at present. The charge for domestic water, now \$1.35 per 1000 gallons or approximately 30 cents per cubic metre, will be raised to 35 cents per cubic metre up to 150 cubic metres per quarter. Above that the commercial rate will be paid, and I propose that this be raised from \$1.60 per 1000 gallons to 45 cents per cubic metre, which is approximately \$2.00 per 1000 gallons. There will also be a minimum charge of \$5.00 per quarter for all metered services.

I propose to increase the fixed rates by 25% with a minimum charge of \$15.

The new rates will take effect from July 1, 1979, and in a full year will bring in \$1.5 million, but even with this increased revenue there will be a substantial deficit at the Waterworks.

It is however the policy of the Government to complete the bringing of water and other utilities to all districts of Barbados by the earliest possible time. There are approximately 65,000 households in Barbados and there are now 63,000 water connections, over 2,000 services having been connected in the past year. Some of the connections are purely commercial, 78% are purely domestic and the remainder are mixed being commercial connections at a residence, meaning that approximately 90% of all Barbadian households now have a domestic water supply. It is not the policy of the Government to build any further public baths, except in a very limited area where topography makes it dangerous to supply piped water. Instead the Government intends to bring a water supply to every household by the end of 1980.

The Government also intends to complete the electrification of the Island. A survey commissioned by the Cabinet earlier this year from the Barbados Light and Power Company revealed that the Company's rural electrification programme has been successful to the extent that there are only 22 districts remaining in Barbados, from which service applications have been made, which are still without electricity. The Government intends that they shall all receive electric services within the next 12 months. If the Electric Company has to raise capital in the ordinary way to finance this remainder work with this urgency, the costs of so doing will create even more pressure to increase the rates for electricity. The Government has therefore undertaken to provide the necessary capital by way of taking further shares in the Light and Power Company to assist it in carrying out the works. I have no doubt that the investment will prove a good one financially as well as socially.

7.10 p.m.

School Meals

The next publicly provided service on which I will touch is the School Meals Service. During each school day of every year, every child attending primary school in Barbados receives a nutritionally balanced meal. To ensure that the highest standards are maintained, the Government has included provision in the 1979-83 Development Plan for upgrading of the facilities for preparation and distribution of the meals which now go since 1976 to all the primary schools in the Island.

From the outset, the World Food Programme provided assistance in the form of basic commodities, and a charge of 10 cents per meal was levied in 1963 to assist in defraying the cost of the scheme. Teachers who assisted in supervising the serving of the meals are provided with meals themselves at a cost of 60 cents per meal. A number of free meals are provided for those children most in need, and administration of this part of the programme is left to the discretion of the Headteachers.

The importance of ensuring proper nutritional levels in the food intake of children of primary age is universally recognised, and the fact that some \$6.6 million is provided in the current year's estimates for the school feeding programme is testimony to the priority attached to it by Government. After an in depth review of

the operation of the scheme, Government has decided that effective next Monday, April 30, no charge will be made for the provision of meals to children. *(Cheers)*

Mr. SPEAKER: Order please.

Rt. Hon. J. M. G. M. ADAMS: School meals will be free at last. *(Cheers)* This decision will much simplify administration of the scheme and it also represents a further step in the realisation of the Government's policy of more equitable income distribution.

Pensions

My final proposal, Mr. Speaker, relates to Pensions. Implementation of a comprehensive National Pensions Plan is a critical component of the Government's social policy. Such a plan will integrate existing private and public pension schemes and the necessary investigatory studies are currently underway. There will of course be full consultation with all interested and affected parties during the process of formulation of the National Pension Plan.

In the interim, it is Government's policy that every needy citizen in the community aged 65 years and over must be covered by pension arrangements which at the very least ensure minimum standards of welfare for the recipients. Workers who are retired from employment in the private sector are covered by a variety of private pension arrangements. Government both as an employer and as custodian of the general interest has specific responsibility for pensioners in the following categories:

- (1) Government Pensioners whose pensions as former Public Servants are non-contributory, calculated through the Pensions Act, and supplemented from time to time in conjunction with increases of public service emoluments;
- (2) Non-contributory Old Age Pensioners;
- (3) Contributory National Insurance Pensioners.

In realisation of the objective of ensuring that the welfare of retired persons who have made their contribution to the development of the country is adequately looked after, Government will implement a series of inter-related proposals.

Between 1959 and 1978 Government Pensioners received supplementary grants given in conjunction with Public Service salary increases totalling some \$134.50 per month. Investigation has however revealed that there are a considerable number of these civil service Pensioners who still receive less than \$150 per month. As a matter of policy, Government has decided that none of its former employees receiving a Public Service Pension should receive less than this minimum. Effective therefore, 1st April, 1979 Government will increase the pension of every civil service pensioner now getting less than \$150 per month by the amount necessary to raise his or her pension to that sum. *(Cheers)* Some 1,548 pensioners are involved and it is estimated that this measure will cost the revenue \$515,362 per annum.

Also, Government would wish the pensions it pays to be linked in a more systematic way with the earnings of the public servants currently employed in the grade which the pensioners occupied on retirement. The Chief Establishments Officer has therefore been directed to carry out a study of the financial implications of adopting such a policy, and while I must make it clear that Government cannot make a firm commitment in this area without a full study of the financial ramifications, the pensioner can be assured that the matter will be given sympathetic consideration.

The non-contributory old age pension which stood at \$14 in 1976 was raised to \$16 in 1977 in keeping with my Party's pledge to increase old age pensions as generously as resources permit. Effective 1st April, 1979 these pensions will be raised to \$20 per week. The hon. member for St. James will be glad that his untiring efforts with both Governments have at last borne fruit in this regard. (*Cheers*) This figure will be kept under constant review. The continuance of a means test income limit will be settled after a complete survey of need is carried out by the Chief Welfare Officer. In the interim, the limit will be raised to \$25.00 weekly. However, in the new legislation it will be specifically provided that a pensioner can draw either a non-contributory old age pension that is, a national assistance pension or a national insurance pension but not both, which is the actual situation at present. There are very strong reasons for this. The vast majority, over 90% of persons receiving National Insurance Pensions are already receiving a pension far greater than that for which they qualify by contribution so that they are already receiving a non-contributory as well as a contributory benefit. Unlike non-contributory national assistance pensioners, they may also have other income without limits and many of them in addition enjoy civil service pensions or pension from private employers.

In any case, after due consideration an increase is also proposed for National Insurance Pensioners. For that small minority who receive a pension greater than the present minimum of \$20 weekly, there has been no increase since payments started in 1970. Work is currently progressing to determine by actuarial study a rational basis for linking increases in National Insurance Pensions with inflation. Mindful, however of the pressure exerted on those receiving fixed incomes Government has decided that effective 1st April, 1979, there will be an interim general increase on all National Insurance Pensions awarded on or before 31st December, 1977, of 25% with a minimum pension of \$25 per week being payable.

Finally all persons over the age of 65 years will be entitled to free travel on public transportation between the hours of 9.00 a.m. and 3.30 p.m., and after 6.00 o'clock at night upon presentation of their ID cards. This proposal took effect from 6.00 p.m. tonight.

These proposals together constitute a realistic attempt to cater to the need of our senior citizens and ensure that their requirements are not neglected while the National Pension Plan is being formulated.

Lastly, Mr. Speaker, I turn from our own domestic concerns to the sad circumstances in which our brothers and sisters in St. Vincent find themselves. Ever since the first tremors of La Soufriere were reported to our Central Emergency Relief Organisation, the Government of Barbados has been assisting the Government of Premier Cato and the people of St. Vincent with supplies and transport for supplies. I

propose further to assist St. Vincent in two ways. First, the Central Bank of Barbados will make up to \$250,000 available to purchase Treasury Bills of the Government of St. Vincent to ease the country's immediate cash problems. And secondly, Barbados will issue specially surcharged postage stamps to be sold at 32 cents each, 28 cents to cover postage and 4 cents for St. Vincent Relief to be handed over to the Government of that Island. The stamps will become available during the month of May and I sincerely hope that all Barbadians will take the opportunity of buying some as a contribution to helping our brothers in distress.

Mr. Speaker, that is the last of the Proposals. The total cost to the revenue of the concessions I have announced amounts to approximately \$17.7 million, made up as follows:

Duty Concessions on taxis	\$ 0.6 million
Abolition of charge for school meals	0.7 ..
Increase in Old Age Pensions and pensions of certain Government employees	5.0 ..
Income tax concessions and concessions for savings, house building and salaries	11.4 ..
Total	17.7

The additional revenue which will result from the measures I have announced is estimated at \$7.1 million, made up as follows:

Increase of Consumption taxes	\$ 0.8 million
Decreased subsidy as a result of increase in bus fares	1.0 "
Increase in tax on petroleum products	2.2 "
Increase in water rates	1.6 "
Increase in land tax	1.5 "
Total	7.1

The net cost of the extensive package of concessions contained in the budgetary proposals is therefore estimated to be about \$10.5 million.

This is the largest amount of tax relief ever given in Barbados and it means that the sacrifices made in the interest of saving our economy have not been made in vain, and I wish to thank the public for those sacrifices. The Government has had to put up with misunderstanding and misrepresentation, faction and falsehood in its efforts to restore balance to the economy. But the proof of a pudding is in the eating; unemployment down, foreign reserves up, income tax down, pensions up. These are our answers to destructive and unfounded criticism. We face new dangers, Mr. Speaker, as petroleum prices continue to rise and traditional constraints continue to bind. But we face them openly and honestly, and take open decisions to deal with problems openly discussed; and with God's help we will keep our Island on the road of freedom and prosperity that we have measured this day.

Mr. Speaker, I beg to move the following Resolution:

BE IT RESOLVED that this House takes notes of the success of the Government in restoring Public Finances of the general improvement of the level of the International Reserves as a result of the improvement in the Balance of Payments; and of the increase in employment following the Government's fiscal efforts in this regard;

AND BE IT RESOLVED that this House welcomes the achievement of the Government on being able to grant over \$10 million in tax relief to the country;

AND BE IT ALSO RESOLVED that this House further welcomes the grant to Old Age Pensioners of a substantial increase in their pensions;

AND BE IT FURTHER RESOLVED that this House approves the Financial Statement and Budgetary Proposals delivered on April 25th 1979.

Hon. H. B. St. JOHN: Mr. Speaker, I beg to second the Resolution, and as is customary, I beg to reserve my right to speak.

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that this sitting be now suspended until 4.30 p.m. tomorrow, Thursday, 26th April, 1979.

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.
7.30 p.m.

Mr. SPEAKER: This sitting is now resumed. The hon. member for St. John, the Leader of the Opposition.

Rt. Hon. E. W. EARROW: Mr. Speaker, the Hon. Minister of Finance has reminded us that this is the third occasion that he has had the privilege of delivering Budgetary Proposals. I only want to say that it is regrettable that after three experiences the hon. member has not overcome the fact that he is now sitting in the driver's seat and that he is Minister of Finance and not the Leader of the Opposition. From time to time in this Chamber, every time that the House is sitting, instead of getting on with the people's business, we are told that the new dispensation, the annointed of the incumbent Barbados Labour Party Government, all of them inspired with divine wisdom and prophecy have

rescued the people of this country from some terrible state to which they were brought by what is now referred to as the "previous administration".

I would only like to enjoin the hon. member that the occasion of a budget speech is not an occasion for self congratulations. If there are occasions for self congratulation those will come from the general populace at the appropriate time. The purpose of a budget speech is to inform the people of the country what fiscal and other measures the Government of the day is taking to redress any imbalance of the economy, particularly when there is some kind of malaise in the economy, and when there is a discrepancy between the amount which you hope to raise by revenue and the amount which you have to spend both on capital and current account. This is really the main purpose of a Budget. It is never an occasion for drama or posturing or self congratulation, because it is a matter which vitally affects the welfare of every human being in the country.

I have been criticised during my tenure of the office of the Minister of Finance by the Press of this country for not giving a Budget on an occasion on which I did not consider it necessary to bring a Budget because there was no need to impose any taxation on the people of this country in the year 1975 nor was there any such need to impose any taxation on the people of Barbados in the year 1976 of any significance whatsoever. If the economy is functioning, the necessity to rush at any early date to garner the utmost farthing — we do not use them nowadays, it is true — so the revenues and coffers of the Treasury are really an exercise in futility. The point I would agree is that the people of the country expect at a time when you are introducing Budgetary Proposals to hear in plain and unadorned language free from humbug, free from posturing, free from drama and saying exactly what proposals are being made by the Government and how these proposals will affect the people for better or for worse in their daily lives and in pursuit of their lawful avocations.

I would say these words in an introductory way because everything else that I say after this will be directed by the assumption that the people of this country wish to know what is going to happen to them economically in the months which lie ahead; and therefore it will be the duty of the Opposition to shed light where there was obscurity and to give a guide, not to assist the Government by telling them how to manage the affairs of this country, because they have arrogated to themselves the position of being the *ne plus ultra*, the "Great Combination", the people who know all the things; and everything that happened before must now be wiped off the history pages of Barbados, and yesterday was the beginning of creation;

but the history of this country goes on, and the people of this country will go on no matter what Government is in power.

No matter how we attempt to rewrite the history of Barbados, somewhere, sometime, some archaeologist, perhaps some researcher in medieval history in the 20th century history, will be able to ferret out the truth and put it in its true perspective. I therefore have to be forgiven if in the time I have at my disposal, I go back to explain to the people of this country where they are, where they have come from before I go on to the question of where I think we are going.

Since the "past administration" so frequently referred to, assumed office in 1961, I would be the last person to attempt to suggest that the history of Barbados started in 1961. The modern history of Barbados might have commenced some time around this date. I also want, Mr. Speaker, to emphasise that anything that happens in Barbados is not due to any largesse, which is the expression I heard bandied about not so long ago by the Chairman of a Statutory Board in describing loans made to persons who applied for development funds, nor to any largesse or munificence or any benefactor on the part of the legislators of Barbados, but to the efforts on the part of the people themselves.

I shall also remind you, Mr. Speaker, that management is not the management of an individual Minister of Finance, however astute he may consider himself; and that applies to all the people who have held that office as Minister of Finance; but it applies also to the people who actually have to do the management — members of the Public Service to whom in my time I have been on occasions highly critical of certain sections of the Public Service. I have had to explain that they are there to serve the people of the country and not to behave as though they were a foreign occupying force; and I think that it has had a salutary effect; but they are also the managers. So when the present administration is accusing someone of mismanagement, they are not only accusing the Ministers, but there has to be an element of culpability attached to those public officers, those who have been fortunate in not being changed or pushed into other departments for which their training did not qualify, or because they sometimes express their democratic view point which is their democratic right. But there must be some element of culpability when we speak of management by the people with whom you have to work and with whom you are still working. I just want to say this clearly, that as far as the Ministry of Finance is concerned that among the officers with whom I had to work from time to time, I did not find any trace of incompetence or lack of the requisite managerial skills.

4.40 p.m.

The Hon. Minister of Finance and Prime Minister has referred from time to time to the inadequacy of the statistical data with which we have had to deal and which we are still trying to cope with, and he himself when it is convenient for him to do so, as he did yesterday, informs the House that the figures are not reliable, but on other occasions he places great reliance on the unreliable figures which he presents to the Chamber; but I think the message has come across that there is a certain need for an increase in the efficiency of the collection of statistical material on which we have to base our projections, our provisional estimates and matters of that kind. There is nothing particularly salutary about rushing to the House with an Economic Survey which is based on statistics which have not been checked and which are merely self-serving, and one of the reasons why frequently I did not present my Budgetary Proposals before the beginning of June or the end of May in any particular year was due to the difficulty and a very real structural difficulty even now today as I am speaking of getting in out-turn figures, reconciliation of accounts and matters of that kind, even in the most sophisticated society in anything less than six to eight weeks after the end of the financial year. But I am not going back to creation.

In 1961 when I became the Island's first Minister of Finance the gross revenue of this Island was in the vicinity of some \$25 million. It grew from \$25 million with an expenditure of \$22.6 million in the ten year period to something like \$65 million. I remember very well when the hon. member was sitting on this side and I forecast not in a dogmatic or categorical kind of way that I estimated that in two years' time the revenues of Barbados would pass \$65 million, and I remember him, as he well remembers, hurriedly snatching his pen and writing it down because he thought it was absolutely unbelievable, and I was making that forecast at the time some eighteen months in advance. By a simple method of extrapolation I had come to the conclusion that by 1970-71 the Government revenues of Barbados would exceed \$65 million. Indeed, Mr. Speaker, it rose to \$75.750 million in that year, and Government expenditure was kept down to \$65 million.

Now I wish to give now a recital of the mismanagement that the hon. member so fondly refers to and so frequently alludes to. From a position of a \$25 million revenue in 1961-62 with a surplus of \$3.35 million, in 1962-63 there was a revenue of \$26 million — I am giving round figures, Mr. Speaker — with a deficit of \$900,000 and in the following year again pursuing my policy of deficit budgeting in a developing society such as ours with an employment which I thought was justified instead of overtaxing people, the revenue was approximately \$28.5 million with a deficit of \$73,000.

In the very next year, that was in the year 1964, revenue rose to \$33.5 million with a surplus of \$4.6 million. That is the mismanagement that the hon. member refers to. If the hon. member would just confine himself to reciting the trends of the economy and matters of that kind with these frequent allusions — before the election it was corruption. I do not want to go into that side of it. After the election now he is the saviour of mankind, has rescued the people of Barbados. He is not here, is not of this world, he is on his journey home; he has passed by to assist us in Barbados and rescue us from the mismanagement of the previous administration.

Then we had a little further mismanagement in the following year. This is the year 1965–66 on the eve of independence when we were being told that Barbados could not afford to be independent. We had a revenue of \$38 million approximately with a surplus on current account of \$7.2 million which contributed to the capital projects that we had embarked upon. In the year 1966–1967 we had a little further mismanagement. We are now in election year, a year in which we have taken our destiny in our own hands, a year in which we could not afford these luxuries of freedom, and we further mismanaged the economy by having a surplus of \$5½ million with a total Government revenue of approximately \$40 million on current account and from there on we move on to the year 1967–68 establishing the luxuries of overseas legations and all the other things which we could not afford, all the capital expenditure attendant thereon and moved on to have a modest surplus of only \$500,000. After that long period in 1968–69 we lost approximately, and when I say lost, we had a deficit on current account of \$1 million, and in the following year 1969–70 we had a surplus of \$10 million — that is the first ten years — with a revenue then rising to \$75.2 million and an expenditure of \$65.5 million.

The hon. member for Christ Church West will find those figures in the 1971–72 Estimates on Roman page V and provided he is using the same optician he should be able to verify the accuracy of those figures. I think we probably both share the same optician, but my eyesight has improved. Let us move on.

Those are the first ten grizzly years under which the people of this island are supposed to be riding under the mismanagement of the Democratic Labour Party administration.
4.50 p.m.

Let us move on, Sir. Those are the first ten grizzly years under which the people of this Island are supposed to be rising under the mismanagement of the Democratic Labour Party Administration. Years under which we have emerged from the status of Colonial territories to the

status of a full Independent Nation and years during which some of the members on the opposite side entered the Chamber for the first time.

I should like to say, Mr. Speaker, that as far as my predecessors in office were concerned, I have no criticisms of them. They did what they did according to their own rights and in accordance with the prevailing philosophies of the time with the generations in which they had been borned. I could not spend all my years in office criticising their methods of good housekeeping as being relevant to Government financing. I criticised it at the time and having criticised it I was finished with it. I think only on one occasion did I make any reference whatsoever to the Management of Government financing. I did not suggest that they were stupid or that they were lacking in wisdom. They were lacking in financial wisdom, it is true, but it does not mean that they were completely ignorant of everything under the sun but I do not go on day after day acting as if I was still in the Opposition struggling to achieve the reins of office. We have a serious job to be done. We have to convert the economy of this country.

We set out clearly the path which we thought we should take in trying to transform the economy of Barbados into a more dynamic Institution bearing in mind that the purpose of our Government and the end of our activities must increase the sum total of the human welfare in the inheritance of a territory, country, or nation, in which we have the good fortune to reside in from time to time.

From 1971 to 1976 we find a situation. This is now in the Estimates for 1978/79 on Roman page VIII that in the year 1970 Government's Revenue grew to \$87 million with a surplus on Current Account of \$2.8 million. In 1971/72, Mr. Speaker, Government's Revenue rose to something like \$100 million and in 1972/73 to \$110 million. Now in those three years which I have just quoted from, there were consistent surpluses on Current Account of \$2.8 million, \$9.5 million and \$6 million respectively. There was an established growth of 16%, 20% and 13% in Government Revenues during those years.

Now in 1973/74 at the time of the impact of the fuel crisis this was not anymore a 10% increase in the fuel bill for Barbadians. The fuel bill for Barbadians rose from something like between \$16 million and \$18 million to some \$66 million overnight in 1973/74 and I will say a little more about that later on when I come to deal with the taxes which have been imposed. For the first time for a very long period, having suffered the greatest deficit of approximately \$3 million, I think during the period, we were now faced in 1973/74, two years before this Government, with the first critical deficit during the whole period to which I have reviewed and the deficit at that time was \$15 million but the growth and

Expenditure have risen from 13% to 30%. This was the growth in Expenditure and you would remember that 1973 was the last year in which Parliamentarians or Ministers were granted any increase in salaries by me as the then Minister of Finance because of the inordinate increases in Government Expenditure which took place at that time and the following year due to the inflationary pressures which had been referred to and the increases which had been granted to public officers, Expenditure by 28% whereas it had been averaging around 12% or 13% prior to 1973-74.

Those were the only two years for the whole period with the exception of 1976 when there was any substantial deficit on Current Account in the National Accounts of this country. In the following year, 1975/76 there was a surplus on Current Accounts of \$18 million. Having gone through the period between 1973-1975 of two fairly substantial deficits, we were able to record a substantial surplus due largely to Sugar Revenues and the corrective measures which were taken at that time of \$18 million. Government Revenue rose in the following year 1976/77 to an estimated revenue of \$226 million or a 20% rise and there was an actual deficit in that year 1976/77 of some \$9 million. Those are the figures.

No one has disputed the accuracy of the figures. We do not know the accuracy of some of the figures which we have presented to us in the form of provisional Estimates and forecasts and projections. Those are actually hard-boiled, nitty-gritty statistics which are beyond dispute and have gone down in the records in the Accounts of this Island. Mr. Speaker, between the years 1977-79 a very interesting situation has developed which caused me a certain degree of puzzlement for a considerable time and it was this.

5.00 p.m.

If we look at the performance of the economy in the current Estimates, the performance of the Government sector in so far as revenue is concerned — I do not mean the overall performance of the economy, I am referring to the Government sector accounts — we will notice that there is a systematic rise of approximately 20% in Government revenues over, let us take the period from 1973, over the four year period there was a systematic rise of some 20% in Government revenues. We were told last year that there was going to be a large deficit on current account, a substantial deficit on current account. As a matter of fact, the words which were used by the Hon. Minister of Finance as far as I can remember them were to this effect, that we had entered into something like a chronic deficit situation. (ASIDE). A structural — I thank the Hon. Minister for reminding me — a structural deficit situation. Now, of course, the hon. member has gifts which I do not possess; gifts of prophecy, gifts of

prescience, gifts of hindsight that I have never aspired to, but how anyone who looks at the economy of Barbados from 1961 and who examines the record of Government surpluses on current account, with the exception of two years in 1973-74 and 1974-75, I think it was, those two years when we had approximately a \$15 million deficit in each year, a surplus of \$18 million in 1975-76, a deficit of \$9 million in 1976-77 could warn us that we had entered into a structural deficit situation which was likely to be chronic, is something which I find very difficult to understand. And not only was it difficult to understand, but actual events proved that there was no such situation, and therefore one has to ask oneself how is it that there could be a discrepancy of \$100 million in a small country like this. All the people in the Statistical Department, in the Accountant General's Department, in the Treasury, in the Ministry of Finance suddenly had a rush of blood to their heads and a mental aberration that \$100 million does not mean anything.

I spent a considerable amount of time trying to reconcile this with my experiences to try to see how this chronic deficit situation could possibly arise. But the timing of these pronouncements is very important, Mr. Speaker, because these announcements are made at a time when the Hon. Minister of Finance is always in a position to hedge his bet, to say that provisional figures disclose, or something that has been given to him by somebody else suggests, and phrases of that nature which if one challenges him with his words and figures he will be able to say that it was not him that said so, it was somebody else.

Now let us see what really happened. If you turn to page 9 of the Financial Statement and Budgetary Proposals, dealing with Revenue and Expenditure in 1978-79, the Hon. Minister of Finance said that the total current revenue of the Government for the fiscal year 1978-79 was originally estimated at \$259.9 million. I should like to draw the attention of the Minister to the next sentence: "The provisional figures for collections at March 31, 1978 revealed that collections for the year just ended were \$318.4 million." If the Minister would look at that sentence very carefully he will see that it is contradictory within the same sentence because the year 1978 could not be right, it would have to be 1979. He read this out yesterday and I did not wish to interrupt him, so if I did not correct him before I hope he will understand it was out of deference to the smooth flow of his delivery and not out of any sort of desire to embarrass him when I rose to speak. That is obviously wrong, but the man in the street wants to understand, no matter what rhetoric goes on between the hon. member any myself, what we are dealing here with is the people's business, not our own little mathematical propensities or lack of them, propensities on his side and lack of mathematical

propensities on mine, but plain, ordinary commonsense that the man in the street can understand, because if the total current revenue for the fiscal year 1978-79 which ended on the 31st March this year was \$259.9 million, or approximately \$260 million, and then the collections for the year just ended, which is the same 1979 and not 1978, were \$318 million, the Minister is rightly claiming that the Estimates were substantially exceeded by \$60.5 million.

The Minister did not introduce any taxation measures which to the best of my recollection could even begin to bring in anything like ten or twenty million dollars, so this caused me great concern that there should be such a large discrepancy in the Estimates any why it should be done, and then if you look at the final sentence in that paragraph you will see the whole secret is disclosed there, that revenue for 1978-79 exceeded revenue of 1977-78 by \$66 million, or 26.1%.

5.10 p.m.

At first inspection one would feel that you had \$66.6 million more in revenue plus \$60.5 million, which would be a matter of \$127.1 million. But I went back to the Estimates for the previous year and discovered that if you take an extrapolation at the rate of natural growth of revenue, the corrected estimate of revenue for the financial year just ended should have been \$311 million and not \$259 million. That is the way we used to do our projections in the Ministry of Finance. The staff is still there, so how is it that in 1978-79 they only show a growth of \$6 million in revenue? You are not dealing with expenditure because you could still have a deficit by spending too much money. But that is the obverse side of the coin to which I will get in a moment. So the natural growth of 20% over \$260 million, roughly one-fifth, would have given you another \$55 million if the estimates of revenue were correctly extrapolated. But the Minister came in here with Estimates of \$259 million which is only \$6 million more revenue than in the previous year. I am no mathematician — I can hardly add. Two things I can't do — add or spell. There used to be a theorem in geometry which led right up to an absurdity, that if so and so is so and so, then so and so would be so and so, because things that are equal to the same thing are equal to one another, and if this one was equal to that one and this one was not equal to that one, that would be an absurdity. (Laughter)

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

Rt. Hon. E. W. BARROW: So that was the absurdity. Now having been faced with this absurdity in presenting estimates of revenue, how in a small economy like Barbados could you have a complete turnaround of \$40 million in the space of months without any great

increase in taxes? This bothered me all the time, and believe it or not, it took me weeks and months until a chance remark by the Minister gave me a clue to the whole situation and I discovered that the Government revenue ought to have been \$311 million instead of \$259.6 million. But this knowledge of the miraculous turn-around did not appear to the rest of us citizens — particularly the public officers — until after the wages had been negotiated and we started off the year with a structural deficit built into the economy. Hardships had to be endured; consumer credit curtailed; no increases for public officers because of this fantastic difference between the amount of money which the Minister of Finance expected to get by way of revenue and the amount which he had spent even after cutting his expenditure to the bone, as I think he said in slightly more elegant words at the time when he delivered his statement.

Now we went through the exercise of the Public Officers review of salary, and because of the structural deficit in the economy not even the 35 plus 15 percent that I had given them in 1976 could be granted to them; do not even begin to talk, they were told; not even 5%. That was the opening gambit. Eventually, reluctantly and unwillingly the Minister conceded a 15/20 percent maximum increase for those at the bottom of the economic ladder in the public service. And then the negotiations for the teaching staff of the public schools dragged on. We did not hear anything of this marvelous improvement in the economy until quite late in the day and round about the time of the production of the Nicholls Report the archangel Gabriel himself — I am not speaking in blasphemous terms, I do not know who the archangel Gabriel is, I have never seen him; I do not know if such a diety exists in our Pantheon — we have a monotheistic religion in Barbados — but the Governor of the Central Bank heralded the announcement that there was going to be a surplus and the trumpeting of the 20 percent increase coincided with the release of the Nicholls Report on Ministerial salaries. So all paths were now made straight for an increase in salaries for Ministers of Government and Parliamentarians. I have never discussed, and will not discuss — I have even refused to be present at any time during the 28 years that I sat in this Chamber on anything to do with salaries of Parliamentarians. But I said in 1973 no increase; I said in 1976 no increase; I said the economy did not justify it and my figures of a deficit of \$15 million in that year justified my saying so. Every time you come with a salary increase for public officers, Government savings are wiped out. You have the public sector savings through Government and you have private savings; you also have corporate savings. But where the savings of the public sector are concerned you can expect every three years that all the gain and advantages you made are going to be eliminated, But it is a very nice tactic to start off with a structural, chronic deficit of

enormous magnitude. In our case it was close to \$40 million, and once the public officers had been sent away with whatever pittance Government decided to grant them we suddenly discovered in the middle of the year that we were going to have a surplus. The point I am trying to make is that if you draw a graph to extrapolate the natural increase in government revenue, the figure which was presented to us in this House at the time of the introduction of the Estimates for 1978-79 was grossly under-stated.
5.20 p.m.

You will have noticed, Sir, that I was very careful to say that those figures were under-stated. I did not say that they were underestimated because I have estimated what the figures should have been, and I am sure that other people knew what the figures should have been; but they were under-stated in print by \$55 million; and that is how we arrive at a situation with a surplus at the end of the financial year in this Budget, because why? That is almost tautology. Because, not because why, or just why?

It is because first, Civil Servants have been sent away. You are finished with them for the next two or three years. Teachers have been sent away — those who have been dismissed for asking questions. Ministers have been paid increases of 60 and 67 per cent. Ministers are now enjoying public transport — and I do not mean buses. All of these things have been done, and now we find ourselves in this wonderful situation that the original estimate has been substantially exceeded by \$50.5 million and that is the whole exercise. It has nothing to do with management. It has to do with manipulation, not management; and anyone who does not understand the difference between manipulation and management is an even poorer scholar in the English language than I am. I am sure that all of them are good scholars in the English language. It is their native tongue. It is hardly mine. I speak Bajan.

Mr. Speaker, that is the key to the whole exercise which we have gone through. It is the key to everything that happened in this country during the past 12 months. That is the key to the so called "turn around"; and I invite Dr. Blackman or anybody from the Central Bank to come on television with me — if they give me time — or to come into the market square, the people's forum, with me and let us have a debate and tell me that this was not so. Why should we under estimate revenue by over 20 per cent in a year when we know that we are going to have negotiations with public officers? Why do we suddenly discover, not at the end of the financial year when you have paid your bills and settled all your debts and received all that is supposed to be coming to you by way of taxes and matters of that kind? Why should you, in the middle of the exercise suddenly make a declaration

that you have had a turn around within the narrow space of six months? Why, if in the normal course of events there would have been a natural increase and growth in the public sector during the same period of time? That is all that happened; but what is the obverse side of the coin?

The estimate of expenditure, Mr. Speaker, was put at \$298 million. The actual expenditure, we were told yesterday, was \$284.1 million; but what we were told half way through the financial year, little before Christmas, about September last year — forgive me if I am out a month or so — we were told that there was no money. We were told that public workers would have to face a retrenchment of their wages and salaries by some 20 per cent by going on a four day week. Now these public workers would be people who would be making, let us say, \$80 to \$140 a week. Let us take an average of \$100 — workers on the key scale, unestablished staff, non-established staff, casual workers. These are a lot of nondescript terms which were used to dismiss them as if they account for nothing in the community — casual workers.

A Minister himself made the announcement — not the Minister of Finance this time. He is too wise. He got one of his novices to make the announcement that there being no money, they would have to face the prospect of a 20 per cent reduction, going from a five day week to a four day week. That means that if you are working for \$100 a week, that means even in my arithmetic that you get \$80. If you have four children and you had a T.V. set or a stove or a refrigerator — it is true that they are not in fashion any more; but let us say that in the old days, under the previous administration, you had committed yourself to buying a refrigerator or something of that kind. You are committed to paying \$15 a week on hire purchase. When you are put on a four day week the position was that automatically you could not meet these commitments; and if you wanted to keep the fridge or the stove, or whatever similar consumer durable you may have in your house to make your children more comfortable, Mr. Speaker, it meant that you had to go on short rations at home in order to meet these commitments, or try your luck with the one armed bandits like one gentleman did and I had to give him a lift three miles from home because he had spent all of his money trying to recoup his wages that Friday afternoon. He was from your constituency, Sir. *(laughter)*. That is the sort of thing. Would you believe that? That is the kind of thing; but while you are hearing of all that, you are getting a surplus of \$50 million. Am I being told then that people were so incompetent, that the sort of projections and analysis of the people who were in the Ministry of Finance before the expert from the IMF came in to advise on the Estimates — if he was advising on the Estimates as the hon. member said, he certainly did not do a very good job, and should be sent back home before

he embarrasses the Minister anymore. The hon. member said that he was advising on the Estimates. When asked if he was advising on the Budget, the hon. member said no. That is why I say that he should be sent back home, because that is the kind of advice that we do not need.

Mr. Speaker, he is misleading the Minister, he is misleading the House and misleading you, Mr. Speaker, because you are the presiding officer; and it is misleading the general public because it is causing "sufferation", as the Bajans call it, among the lower echelons of our society. This exercise in manipulation has had a dire effect. To come now with a surplus and say that you are dishing out relief to certain elements in the society, and people who are working for \$40,000 a year will have a tax allowance from the corporation in respect of their salaries increased to \$50,000 a year. If you are paying \$1,500 in insurance, and \$1,500 is a lot of insurance — these are the bits of largesse now handed out very graciously to us poor mortals as a result of this glorious management that we have heard about, and not as a result of manipulation.

5.30 p.m.

This is what I am really concerned about.

Mr. Speaker, we were told that in the same period on page 4 that the gross domestic product increased by 10.5%. I cannot remember without looking at the page whether we were told this was at factor cost or whether it was at market values, a difference between the consumption and import duties which would give the greater figure. It does not matter about the increase of 10.5%; as long as you use the same measurements in each year that you are comparing, then we must take it that it was an increase of 10.5%. If the increase was only 10.5% in the G.D.P. how is it that Government revenue rose by some 23.5%. That is another mystery that I have not sought, therefore what matters sufficiently is that the rise in Government expenditure was closer to the rise in G.D.P., much closer if the correct estimation has been given to the House at the time of the introduction of those estimates last year, because one would be completely out of relation with the other. You agree with me. I see the hon. member agrees with me or pretends to agree with me for now because he probably wants me to pass on. I am not criticising the hon. member. I said it is a great piece of manipulation. I am saying I admire the dexterity with which it has been done, but there are certain little factors which cause an ignorant mortal like myself far less a man in the street little concern which we do not seem to be able to reconcile, and that is all I was saying.

Mr. SPEAKER: I too seem to be somewhat concerned in that the hon. Leader of the Opposition has so far definitely made out a case of imputing

improper motives to the Hon. Minister of Finance, and I should like the hon. member to desist.

Rt. Hon. E. W. BARROW: The hon. member has not objected to anything that I have said.

Mr. SPEAKER: It is not a question for the Hon. Minister to object. I am the presiding officer of this Honourable House and I observed.

Rt. Hon. E. W. BARROW: Would you like me to stop speaking, Sir?

Mr. SPEAKER: You must continue your speech but desist from imputing improper motives.

Rt. Hon. E. W. BARROW: I have not imputed anything. I have praised the hon. member.

Mr. SPEAKER: The Chair so rules.

Rt. Hon. E. W. BARROW: But I am not saying anything more on that because I am finished with that. The hon. member agreed with many of the things which I was saying, and I was just pointing out to Your Honour that he had just this moment agreed that there was something which was puzzling me which I could not reconcile.

Mr. SPEAKER: Please continue.

Rt. Hon. E. W. BARROW: I will do so. If you want me to stop it is all right.

Now we were also told, going back to page 4, that when they took over that we had ruined agriculture in this Island. On many occasions I have tried to explain to the people on the other side and the general public that our dependence on a single crop is not going to carry Barbados anywhere. We must make the best of what we have, but successive Ministers of Agriculture if there were two of them or three if there were three of them, I am not quite sure, have said how they were going to increase sugar production, bring lands back under cultivation because the drop in sugar production was due to the mismanagement of the Democratic Labour Party.

On page 4 of his speech the Minister said sugar declined from 120,000 tons to 101,000 tons. Now that sugar crop was not planted in 1976; that would have to be the crop planted in 1977 or 1978, but the 1978 crop is the one that we are reaping now. We are being told by the newspapers and on the radio everyday that it is a bumper crop, and the planters that I have talked to are not speaking anything about any bumper crop or about any 120,000 tons. When the sugar crop was 203,000 tons we knew that it was largely due to an act

of God. When we got good prices in 1975 it is true that it called for a certain kind of marketing on the part of my colleagues in the other Caricom territories and myself and the then Minister of Trade in order to get the best prices, but we were going to get good prices; it was due to factors which were not in any way related to our scientific approach to agriculture.

When the World Bank offered to put \$US10 million into the sugar industry in Barbados, I told them they could put \$100 million in the sugar industry in Barbados, but if the rain did not fall or you did not get the right kind of distribution, there was no way that we could produce a bumper crop in Barbados. The money is not the solution. When one speaks, Mr. Speaker, about increasing agricultural production, the best incentive that you can have for an increase in agricultural production is to have good prices. In 1976 when we realised that the peasants were suffering as a result of low prices, we gave them a subsidy of \$3.5 million in order to encourage them. We cannot go on in this country either private individuals or Government subsidising low prices for sugar in the European Economic Community. I am not suggesting that, but I am suggesting that we have to continue a programme of diversification of the agricultural sector and stop relying too heavily on a commodity with the Europeans will tell you, as the hon. member for Christ Church South Central will tell you, — he has just been to one of the conferences — that it is not even a tropical product. This is something — I am speaking now as they speak, I am not speaking for Barbados — we have farmers here who produce sugar too, and we might be sympathetic to you, but we have to think of our agricultural lobby here every year.

What I am saying, Sir, is this: it is all right to boast about how with your superior knowledge and better dedication to the country and that kind of thing you are going to increase agricultural production, but if you do not get rain or you do not get good prices, you can get a little rain and good prices and you survive, you can get a lot of rain and bad prices and hold your head above water, but if you get a little rain and bad prices there is no way that the sugar industry in the Caribbean can survive. It is as simple as that. I do not care how much money or how much land you bring back into cultivation, you cannot force a man who is losing \$400 to \$500 an acre systematically every year to plough up his land, because the more he plants the more he loses; but if we somehow or the other — and I am sure that the Minister is trying his best, but he is up against a brickwall, I refer to the Hon. Minister of Trade; so do not let us denude ourselves and try to blame the past Government for low sugar production,

because we have had the highest sugar production ever in the history of Barbados that we know about, over 200,000 tons of sugar production in one year; we have had the highest revenue in the history of the Island in any year when we did not get a very large crop. We still have the same agricultural officers, so it is nothing to do with whether the Government believes you should have a lot of land under production or you should have little land under sugar production. Therefore we will have to pursue a deliberate policy first of investigating sources of irrigation. This is where a country like Barbados in my humble opinion, has to carry out its research. If there is a problem we have other than the problem of unemployment, it is a problem of water. We have fortunately for us enough water to drink, enough water for domestic purposes, enough water I would say even for normal industrial purposes, but we do not have enough water in this country that we know of at the moment in sufficiently large quantities which would cause to carry out a realistic programme in agricultural development in the Island, and even the hon. member for St. Joseph would have to agree with that, and he is the biggest agricultural expert, don't mind he does not have the Ministry; that is nothing to do with his knowledge.

5.40 p.m.

I will now move, Sir, to the question of employment. We are told that unemployment statistics on page 5 were not available for the full year of 1978. We only have figures from January to March 1978. Now we are in 1979 and I have been criticised for not having figures available, let us say in June 1975 for March 1975. Now we are in 1979 but the figures for April 1978, according to what the Hon. Prime Minister told us, these figures are not available. On another occasion we can be told categorically that unemployment has fallen to a record low level but now yesterday we are being very cautious, and we are told that the figures are not readily available but it is possible that unemployment now is down to 12.8% as against 15.2% in the year before.

I should like to make the position of the Democratic Labour Party, the Official Opposition in this House, abundantly clear. We do not take any satisfaction, no matter what Government is in power, and I want to state this so that everybody can hear it because I had a very sad experience in this House in 1976 when I was trying to explain that unemployment was in the region of 13%. The hon. member for St. Thomas, who is now Minister of Finance, kept on saying that he had a person inside the Government, some man from Pakistan, or India, or something like

that, whose name he refused to disclose and whom I had never met, strangely enough, who told him that unemployment was between 26% and 28%. The gentleman either has departed these shores or this life and I still do not know his name and I brought the statistics from the United Nations which showed even a lower figure than I had stated and I remember when the hon. member got up here where I am standing now and repeated that the unemployment was between 26% and 28% and that there were cheers from his colleagues on the opposite benches, loud cheers and it is in the Records of the House.

Now, Sir, I want to say that I take no satisfaction. I would like before the hon. member goes out of office to know when will the unemployment be reduced to zero, if that is possible, because I am concerned about the welfare of the people. I am not going to take any satisfaction nor will any member on this side take any satisfaction over the fact that they are people who are looking for jobs in this country who cannot find jobs and that they are people who have children who are possibly going to bed hungry every night. If we are going to discuss children, let us discuss children.

In this good give-away Budget we are informed that the school children will no longer have to pay 10 cents as a contribution. I nearly said hot meals, but I withdraw that, Sir. I will say an offering in the way of food which they get when they go to school during school time. Now we are spending \$6.6 million on a School Meals Service which was introduced by the Democratic Labour Party. We are collection \$700,000, according to the information given to us by the Hon. Prime Minister under this. The contribution which the school children could be paying towards the cost of that meal is completely disproportionate. The object of 10 cents was never to defray the cost of the meal. The object of the 10 cents contribution, and we discussed this at length and I explained the whole thing, was to give the child the feeling that it was his meal that he was buying.

Mr. SPEAKER: We must have order.

Rt. Hon. E. W. BARROW: The people on the other side can laugh as they like. There are certain psychological things. Now I agree with its abolition and I would like to praise the Teachers for the stand which they have taken. We have to thank them because the Government would not have to employ staff to collect the money. The Teachers took the stand that this is an imposition on their time and it is time-wasting and I agree with its abolition but let us not forget that we introduced this scheme in the heat of quite a lot of

criticism and when we introduced it you will see that in our Manifesto we said that we would provide before 1961 hot meals to school children.

We were told that we were not keeping our Election pledge because although it said in the Manifesto hot meals for school children, that people believed they were free meals. If it is free now, I am thankful. If it is a good thing, it is a good thing. I would just like to say this. In an effort to outdrive the performance of the Democratic Labour Party, for the first time we have something now for uniforms. I just want to issue a note of warning. I know, as you know, Sir, that there were a lot of children going to school hungry. When children are hungry, they cannot learn. If you are speaking about an election gimmick, uniforms will be one. If you want to give them uniforms it is alright but I wish to issue a note of warning. I have not seen any child going to school naked. I know that some children used to go to school hungry. You are going to give the uniforms but let us be careful.

A lot of small seamstresses, a lot of small tailors used to have a little revenue in making uniforms coming to them by the parents of these children. I hope that I do not see any advertisements in the Official Gazettes or in any of our Media inviting tenders for the supply of uniforms by one big firm for all the schools in this Island. I am glad that the hon. member for Christ Church South Central is with me. I have got one person converted. I am very glad. I do not want to see it. I am satisfied that even one person has been brought to repentance and that you have done a good job so I can pass on. I do not have to spend anymore time on it.

As far as the abolition of the 10 cents is concerned, I would like to thank the Teachers and I would like to publicly thank them now for the stand which they have taken. Now the Teachers all know my position. I am a Teacher myself. I like to feel that I am a Teacher. I was not always successful as the hon. member for St. Michael South Central could tell you. I mean my pupils were not always successful. Some were more developed but the point is this that you know that the Teachers really never had any brief for me because I had to do my job as Minister of Finance and in all of this controversy with the Government you will see that I did not get into it at all because I felt that they were competent to fight their own battles.
5.50 p.m.

The point is this, Sir, the teachers never really held any brief for me because I had to do my job as Minister of Finance, and in all of this controversy with the Government you will see that I didn't get into it at all, because I feel that they are competent to fight their own battles and I can only say that I hope they will not be victimised in any way, so I do not want to play

any politics with the Barbados Union of Teachers or any other group of teachers. I think they are supposed to be educated people and they should know how to conduct themselves and how to fight their own battles, and I wish them success, whether they have to contend with me or with any other Minister of Finance.

I should like then to pass on to the actual proposals in the budget other than those which I have dealt with parenthetically before. I have dealt with the surplus on current account and I will not go into such things as bonus shares not being taxed and that kind of thing, because I don't think that that really affects the man in the street. I am concerned with the effect of this budget on the welfare of the average person, the man who gets in the cross-country bus, as Lord Justices Bowen said in a famous case, that the average man is the man on the Clapham omnibus. Well, the people from Emmerton have gone up to Clapham although they were told by one of the Ministers that they would not have to go, so let me say the person on the bus from Emmerton to Clapham is the person about whom I am concerned. What is his reaction? Do you know that the Minister did not tell us yesterday that this morning we would have to pay \$3.10 a gallon for gasoline? It is true we have gone metric, but if you want the man in the street to know what is affecting him you have to speak in terms that he can understand, and do you know, would you believe I am the average man on the Clapham omnibus although I walk and drive and not on a bus? Do you believe that when the Minister had finished talking about three cents a litre and a millilitre and so much for this person and so much for the other person that I turned to the hon. member for St. Michael South West on my left and I said "gasoline has gone up by ten cents a gallon?" Would you believe that? He had so mesmerised me with all this talk about three cents a litre, what about the man who was listening to the radio outside? I don't buy anything by any litre, as I said here before, and there are few of us in here who buy anything by any litre. We go and tell them to put in \$10.00 in gasoline; since you have gone metric we have gone by dollars, we cannot understand that kind of confusion at all. I am sorry, and the man in the street wants to know how much the man who is driving his little what we call his little "pukka pukka", mini moke or whatever it is down to work, or his pickup, the Suzuki, he wanted to know how much more he has to pay for gasoline and nowhere in the Budget Speech did the Minister tell him that he would have to pay \$3.10 this morning, but it was so much a litre for this person, so much a millilitre for that person, so much a noggin for this one, and all that kind of talk, but this morning....(Asides).

Mr. SPEAKER: There must be perfect silence in this Hon. House. I will not say so again.

Rt. Hon. E. W. BARROW: Except for the person who is speaking. Sixty eight cents a gallon, Sir. Now, Sir, these are the increases in gasoline which took place — I am dealing with gasoline I am not worrying to go into diesel — in 1977, April, gasoline went from \$2.00 to \$2.20, in 1978 it went from \$2.20 to \$2.42, and in 1979 it went from \$2.42 to \$3.10. Therefore between April 1977 and 1979 it went from \$2.00 to \$3.10 per gallon.

When we are dealing with this OPEC business, I remember well the first time that the people at the oil refinery came to me and told me they wanted a price increase on gasoline because the posted prices in the tax oil gramme, which is a newspaper which is published for the benefit of the oil industry, I had a friend strange enough in the Bustamante Government by the name of Mr. Lightbourne, and he happened to be with me on this particular date and he said it looked as if I would have to give them an increase because they had just given them an increase in Jamaica. I told him that was Jamaica, that was not Barbados and there was no way I was going to give them an increase. At that time the posted price implant which is the basis on which we make our calculations was U.S. \$1.79 a gallon, but I happen to know because I have friends — I am not going to call their names because I don't want them to lose their jobs — in the oil industry in Venezuela, in marketing in Venezuela, one person with whom I have been associated for four critical years of my life, told me that oil was trading at \$1.18 and no increase was granted.

When the Organisation of Petroleum Exporting Countries (OPEC) raised the price of crude oil by 400% from round about \$2.00 — it was a little more than \$1.79 — to over \$9.00 a barrel, it was a long time before we gave any increase because there were stocks available and they had to exhaust those stocks, and also they were taking oil from a parent company in Venezuela only trading on the books at certain prices, in fact the big 77 sisters, EXON and all of them, made \$59 billion more profit in the year when the prices moved against them than in the previous year, 1973. That is the whole structure of the oil industry, so we have to be careful.

If you were right now in increasing the price of gasoline at the behest of the refinery in Barbados or anybody else, it means that in 1973-74 we would have sent up the cost of gasoline to more than \$3.10 because it was more than 80 cents then. There is no direct correlation between the price of crude oil and the price of gasoline, because there are several things which come out of a barrel of crude oil, and therefore the cost of any increase in a barrel of crude has got to be shared

between all the products, including diesel, jet fuel, bunker "C", asphalt, the whole lot.
6.00 p.m.

There is only one thing I would like to say, that I knew this was coming. When in a New Year's Message you get an expression not like "Peace on Earth Goodwill to Men" or "Peace on Earth to Men of Goodwill" or "Happy New Year", but you get instead an observation from an officer representing the highest authority in the whole legislative system, that is a warning being sounded. So nobody in Barbados was surprised at an increase, but we did not know that it was going to be so much. What I want to say is this, that it is not simply a matter of just saying 68 cents more for gasoline. That is not the problem; the problem is that it will have a ripple effect throughout the economy. Look for your public officers telling you that the travel allowances have to be increased. So this is a built-in additional expenditure on current account that we have to look for and it is an item in the cost of living index. We did not wait for the concessionaires to come for an increase in bus fares — of course there is only one concessionaire now — but we have an increase in bus fares. We gave the people a 25 cents bus fare; it was increased to 35 cents, now to 45 cents. What will it be next year? In two years it will be back up to 65 cents or 75 cents that we refused to grant in 1975-76. Where is it all going to end? Where are all the subsidies in respect of food that we were being told about at election time? Where have they disappeared to? I do not necessarily speak for the other people in my party on this subject but I believe I do speak for most of them; none of them has told me that he disagrees with me. I do not believe in subsidies — I have said so before. When we came into office we removed subsidies. I believe in paying proper wages and not having to subsidise employers, because when you give subsidies to people to buy food it means you are encouraging the employer to perpetuate low wages. This was one of the main planks of the Barbados Labour Party in 1976, how they were going to remove price controls. In order to counterbalance the removal of price controls they were going to institute a system of subsidies for all essential commodities including food. But I am saying that the remedy is not to have subsidies but to have proper wages. But if you are talking on wage restraint on one hand and you remove the price controls, where are the subsidies? You have to have something which will absorb and cushion the effect of the inordinate increase in the cost of living about which in 1976 the Minister said that inflation was down to 5%; that was the average for the year. But in August 1976 he said that the Democratic Labour Party had the highest inflation rate prior to 1975-76 in the entire Caribbean. That was so, but the World Bank reports will give an indication of why that was so. We had civil

servants salary increases and we also had the situation of demand chasing limited supply of goods in this country; aggregate demand exceeded aggregate supply. But we took corrective measures without imposing any hardships on the people, without telling them that they could not get this or that — no washing machines, no sewing machines, stoves, fridges, etc. There was an increase of 100% on motor cars over \$10,000. The point is you said you would remove price controls and give subsidies. We did not get the subsidies, so how do you cushion the effect now of removal of price controls when the only people getting benefits from the removal of these controls are the importers of goods? But what we did had the effect of reducing the rate of inflation from the highest in the region to the lowest in the world, down to 2%. The Hon. Minister said it was down to 5%. That was the average for 1976 after the inordinate increase in the importation from all kinds of spending spree that went on after September 1976. But inflation was down to 2%, and those are the Central Bank's statistics, and the average for the whole year after the spending spree was the figure he gave of 5% inflation in 1976. He should be complimenting us in bringing inflation from 40% to 5% in two years and not criticising the Government, because this is what the World Bank report said in 1975: "In summary, while there has been a significant improvement in the outlook for Barbados' external accounts, longer term growth perspectives continue to depend on previous Government action to increase investment in export-oriented activities. The recent measures taken by the Government reflect its growing recognition of the country's problems and its increasing willingness to act on them." And in the World Bank report for 1978: "The rate of domestic inflation in 1976 fell dramatically, averaging 5% for the year in terms of retail prices. Alignment of the Barbados dollar with the United States dollar in 1975, which entailed a minor revaluation, facilitated this development. However, inflation rates in the United States and the decline in sterling over most of 1976 dampened Barbadian imported price inflation significantly and the rate of inflation actually fell to 2% in 1976." That is the situation.

In these areas of turn around, what have we experienced? During the regime of the Democratic Labour Party people who were not citizens of this country, people who were invited here by multi-national corporations and others to perform certain jobs had to satisfy the Government first that they were going to carry out some kind of skill or undertaking for which no Barbadian was qualified; and those persons had to pay a small fee to make an application to reside and work in Barbados. At no time during the period when I held the post of Minister of Finance — that is until August 1976 — from December 1961 — did I ever feel that it was necessary or moral to call upon a Barbadian

to have a permit or to pay for the right to work. We have a situation now in this country in which persons who cannot invest directly — like the hon. member for Christ Church North Central in the Tourist Industry and reap the benefits thereof — the little man who is selling a product or the little woman who is making shirts and afro jacks etc. now have to get a permit in order to work and carry out their living.

6.10 p.m.

In order to carry out their living they have to get a permit in order to work. *(Aside)* Yes, last year's Budget; but he did not remove it in this year's Budget. That is what I am complaining about. So do not tell me that I am out of order. Mr. Speaker has ruled very effectively here, and I will obey his ruling. So I do not need any rulings from the other side, and he does not need any promptings from anybody else either. Last year's Budget imposed it, and I would have expected that in this year's Budget the hon. member would have removed what is surely an infringement of the constitutional rights of the people, of the rights of Barbadians to live and work without hindrance in this country; and to have to go and get a certificate of character and to have to go and pay two fees — one to the Parks and Beaches Commission and one to the Collector of Taxes for the right to work I feel is not representing the masses of people in this country, and is infringing their democratic rights and their civil rights.

Every little individual now has Big Brother watching him because he has to register, whether he is a tinker, a tailor, a sailor or soldier, a button, a glutton, a scholar or a dunce, like me. Every person who is self employed has to go now and pay a fee to the Government. What kind of society are we trying to build up here in this country? I would have expected the Minister to have removed all of these unnecessary imposts. I thought that at a time when Parliamentarians and Ministers were enjoying extending privileges that the imposts on the smaller man would have been removed and obliterated. That has not happened. I am looking forward to some day — I am giving the undertaking that when somebody wants to carry out their lawful calling anywhere in Barbados, that as long as they act within the common law and the civil law of this country will be free to do so without the necessity of having to obtain permission to work.

The right to work is the right to work; and the right to work should not be inhibited by the payment of any fee. If you have fees for professional persons, there are very good reasons why professional people should pay fees because they are under a certain discipline which you want to control them by; and the professionals themselves recognise the need to have these professional fees for engineers, doctors, lawyers and people of that kind.

As far as old age pensioners are concerned, I heard the hon. Minister of Finance make the very interesting statement that in accordance with their promise they have increased the old age pension to \$16 a week. At the time of the salary revision in 1976 the old age pensions were increased from \$10 to \$13 with an undertaking at that time that in 1978 these pensions would be increased to \$16 in the 1976 salary revision. I do not understand why they should have to wait in 1979 for a Budget to announce an increase in old age pensions, unless to get the widest possible audience to make the announcement, although one of the new Ministers made a pre-emptive strike a few weeks ago and announced something on a financial matter before the Minister of Finance had an opportunity to do so. That is a matter for them. Only the Minister of Finance makes Budgetary Proposals; yet this may be their system of open government. Any number can play.

But the point is this: Civil Servants and old age pensioners as far as we were concerned always received their increases at the same time. They were never left out when public officers' salaries were reviewed. It is not a budgetary matter. Therefore old age pensioners could have received their pensions without any dispute on this side of the House. That there is an increase in the cost of living, if it is only 9 per cent, it is 9 per cent this year and it was 5 per cent in 1975–76. Five per cent is 5 per cent on both sides of the House. Even those figures cannot be juggled with; and what I am saying is that after the Ministers' salaries were made retroactive and Parliamentarians' salaries were made retroactive *(Aside)* yes, including the salary of the Leader of the Opposition. He did not ask for it, but it was made retroactive — more income tax in your skin — the old age pensions should have been made retroactive from 1978; but you held it back and held it back to make a budgetary display of this basket of largesse which the Minister now wants to display to the general public. It is not fair to these old aged pensioners. If Ministers and Parliamentarians can get their emoluments — to use a generic term — is backdated to 1978, the old aged pensioners who are only getting a little pittance anyhow, should have theirs backdated as well.

The record of the Democratic Labour Party in this regard, in the context of the Barbados economy is one of which we are proud. We took the old age pension from \$1.80 or \$1.85 to \$13. We said that it should be more, and the hon. member for St. James always said that the old aged pensioners should get more. When anybody gets more, everybody gets more. So this is the point that I would like to make in respect of old age pensions.

As regards, Sir, the imposts, I would like to say with respect to the removal of the fee on bicycles, it is

not fair to the man in the street that he has to pay \$3.00 the next time that bicycle licences are due. I am just saying that it is not fair. The hon. member is not being honest with himself, judging from the expression that he made just now. I would like the hon. member when he rises to make it clear whether all the people who now own bicycles have to pay this once and for all \$3.00 or whether it is only people who purchase new bicycles. This is something which people have asked me during the course of my meanderings about today, asking about the effects of the Budgetary Proposals which the hon. member made. So I think that there is room for some clarification in that regard.

6.20 p.m.

In so far as property owners are concerned, property owners are now going to be allowed only the first \$500 per month on mortgage payments. Some time ago the Mortgage Finance Corporation had their limit raised to approximately \$50,000 the amount of money which they can on-lend. It is likely that the Minister will at some time in the future have to come back and have that limit raised again especially if the scheme which he has mentioned is implemented, because there would be a greater turn around in the revolving funds of the Mortgage Finance Corporation, and therefore only to exempt the first \$500 on mortgage interest from being taxable in your income tax is something which is almost outdated before you start to do it, but I should like to draw the attention of the Minister to what I consider to be another error in the Budgetary Proposals which he will find, I believe, on page 31. The term "mortgagee" is used there. The Minister will find that the term "mortgagor" is used instead of the term "mortgagee" and I think that that ought to be made clear. In more than one place in his Proposals the term "mortgagee" has been used instead of "mortgagor" when he referred to the purchase of mortgages by private individuals from the Mortgage Finance Corporation. I am just drawing that to the Minister's attention. I will speak to him afterwards if he cannot find the particular position right now. It is "mortgagor" instead of "mortgagee" used in three different places as the person who is going to benefit, and then when they come to interpret the law they may give you a lot of trouble.

I just want to refer to the betterment levy. The hon. member said that a lot of old ladies and so on would be relieved by this removal of the betterment levy. In my recollection there were only two people who were liable in the Cave Hill/Wanstead/Oxnards area to pay this betterment levy. One was a civil servant and I said that it would be bad to start giving him a dispensation; and the other was an old lady and a property she sub-divided overlooking the Law Faculty and we gave her back because she was the only person in Barbados who had paid betterment levy at that time. There was a transfer of

property in Paradise Heights in which a civil servant felt he had spend some additional money and that he should get back the betterment levy, but I felt it was wrong to start with a civil servant and he would be the only person that I know now who would benefit from this, but as a matter of principle it takes so long to get in the betterment levy that maybe I do not think anybody would shed any tears. But I just wish to remove any impression that this refers to any old ladies down on the East Coast Road or anywhere like that, because there are only three or four property owners on the East Coast Road and the one development which is being carried out down there did not have direct access on to the East Coast Road, but direct access on to the Cattlewash Road.

Mr. Speaker, I have spend a considerable time, nearly all of my allotted time, dealing with the Financial Statement and Budgetary Proposals which were introduced by the Hon. Minister of Finance yesterday, and I should just like to sum up by saying this: that when one considers the policy of wage restraint which was introduced, starting with no increase, then reluctantly setting 5% and finally 10% at the top and 20% at the bottom, the treatment meted out to teachers, the reduction in Government spending, the deterioration in the level of services, when one considers that the 10 cents which the children were paying for the kind of school meals when the meals were not even being eaten by the children, that is no great thing as far as I am concerned. I am glad that it is done, but I hope that there is going to be alongside of that an improvement in the quality of the food which these children are getting, and perhaps if the Minister of Health will send in some dietitians without warning to examine that adequate dietary standards are maintained, that would be a lot more useful than the little token of our ten cents remittance which was granted yesterday, not that they can't use the ten cents, but that has not been critical because as the Minister himself outlined those children who could not afford the ten cents were given free meals anyhow, but it is from the accounting point of view a tedious operation, and therefore from that point of view alone it is not to be opposed, but what is most important is that the rationale of the introduction of the scheme of hot meals for school children was to make sure that the poor children were not disadvantaged by hunger in comparison with those children whose parents could afford to give them decent and nourishing food. And therefore it is most important that apart from the sort of cosmetic effects of the removal of the ten cents nominal charge that we investigate the quality of the service which is being provided, I feel that we would be going far along the road to creating greater social justice in this department.

What has happened, Mr. Speaker, during the past two years is that because of the International Monetary Fund formula, because of what the Minister of Finance has described as structural deficits in the economy,

balance of payments difficulties and so on, the material standards which the people of this Island had grown accustomed to enjoying were taken away from them. The least that the Minister can do before he departs the political scene is to give us back our standards. If you have the money, give us back those things; give all of us, not me particularly, Mr. Minister, I will survive, but give the people back the things that you have deprived them of all these years.

Hon. H. deB. FORDE: Mr. Speaker, it is a pity that time run out before the hon. member had begun to speak on the Budgetary Proposals. It was once said, Mr. Speaker, by one of our distinguished jurists, a member of the profession to which I belong, that he was like a racehorse to whom you had fed a lot of oats, but when it came to the day of performance, he could not really perform well. I regret that the hon. member has so reached the stage that it has taken him the whole two hours to speak for so long and to say so little about so much.

6.30 p.m.

As I sat here, Mr. Speaker, I asked for copies of his speeches made in the last two years and they were almost verbatim. He followed the same structure which he had followed in this House on each occasion, a historical review, a great deal of wondering, some little jokes here and there trying as he will to come to the great summation and never arriving at that stage. I should like to correct a few of his misjudgments as well. I wish to begin with his review of the Expenditure and Revenue Accounts for the Island for the past years and to deal with his criticism that this Government has as its plan, he says, more dexterity and has manipulated the figures in such a way as to under-estimate the revenue.

The hon. member forgets too quickly because only last year he himself speaking in this House on the 14th March, 1978 adverted to the difficulty which has been confronting Government in estimating revenue and I read from the Hansard, Mr. Speaker, for last year on the 14th March in which he says, on page 520.

"The Hon. member (meaning the Rt. Hon. Prime Minister) will find out that it is not always easy to estimate revenue, and secondly he will find out that in many developing countries it is always better to under-estimate revenue and to plan for some kind of small deficit. Even if we do not balance our revenue and expenditure at the end of the year, if the measures had been implemented it is still better to do that, because if you over tax you

are taking money out of circulation and you are throwing down the economy."

Now he accused the present Minister of Finance of over-estimating the revenue for the year, but it is by his performance, not only by his actions that we must judge him because if one reviews the figures for Barbados from 1961 right up to 1976/77 when the hon. member had the responsibility for the portfolio of Finance you will find that he has consistently every year over-estimated revenue in the region of 18% and in one year as much as 31%. That is under-estimating, I am sorry.

If you will take the years 1968-69 he estimated his revenue as \$56 million approximately and the actual revenue was \$62.7 million, a difference of 11.9%. In 1969-70 he estimated revenue at \$57.7 million. He actually took in \$75.7 million, a difference of 31.2%. In 1970-71 he estimated revenue at \$76.8 million. He actually took in \$90 million, an under-estimation of 17.2%. In 1973-74, as we come near home, he estimated revenue at \$120 million. He took in \$128 million. In 1974-75 he estimated revenue at \$146.7 million and he took in \$164.2 million, a difference of 11.9%. In 1975-76, he estimated revenue at \$170.9 million. He took in \$203 million, a difference of 18.7% and in 1976-77 he estimated revenue at \$182 million and took in \$216 million, a difference of 18.8%.

It is therefore obvious that he must either concede, that there were certain difficulties in the estimation of revenue, as he seemed to have accepted last year, or he must concede that it is a proper and recommended practice, or he must concede that for 15 years he was guilty of the exact manipulation with the dexterity with which he now accuses the hon. member.

Mr. Speaker, it is not only in this respect that one must take issue with his speech. When he talked about the historical trend in the development in this country for the first time in the politics of Barbados he became the epitome of all mellowness and reasonableness. Those of us who have no short memories remember that for 15 years we were made to believe that the history of this country began in 1961. We must not forget that Dr. Cummins, by this very hon. member had been pounced on for his financial ability in this House and Hansard is repeated with examples of the stringent criticisms, the most brutal criticisms which the hon. member meted out to the Rt. Hon. Dr. Cummins, as he then was, on several occasions and which several other hon. members on his side meted out.

I recall the then hon. member for St. Peter at one time saying that he understood finance as his son Rudy understood finance when he was four years old and calling it "fine ants", not "finance", and the hon. member sitting here applauding. That happened during

the period 1971–1975. This is the same hon. member relying on the same Civil Servants to whom today he conferred the honours of good Management, who called those very Civil Servants an army of occupation and he scorned on all of them from time to time. When it comes to the transferability of persons in the Civil Service, the hon. member is in no position to offer any criticisms. One well recalls during his regime that even the Civil Servant with responsibility for Information was not allowed to perform his duties and was told he would do other things because of course he did not go along with the views of the hon. member.

History certainly did not begin in 1976 nor in 1961 but those of us who have a historical cast of mind must go back and look at the track record of the Democratic Labour Party and judge the things they said and the things they did when they were in Government as against the things they would now have us to believe ought to be done now they are in Opposition.

I want to deal with another point which he adverted to in his address. He criticised the Rt. Hon. Prime Minister on the basis that he said that the Rt. Hon. Prime Minister was making this House believe that there was a chronic structural deficit and that he was merely doing this, and I am paraphrasing his speech, in order to wait until the period of wage negotiations had passed and then at that time to bring the archangel, Dr. Blackman, to spread the good news merely because all the negotiations had been out of the way.

Mr. Speaker, again the then hon. member has a short memory or to quote the words of Sir Herbert Duffus, "he is suffering from another instance of amnesia" because if one looks at Hansard last year and again I am reading from the Debate of the 14th March, 1978 at page 517, the hon. member agreed with the Minister of Finance that we were well into a stage of structural deficits and indeed he went further and I quote his words:

"We are deeply into a stage of structural deficits that it is extremely doubtful whether we will ever come out, but it is not a structural deficit but it is a deep stage of structural deficit which is a different thing altogether."

6.40 p.m.

Now, Mr. Speaker, if one were to believe that we are dealing with the same main spokesman on behalf of the Opposition — he has not changed his personality between last year and now — one cannot accept his criticism on this ground because either last year he was not aware of what he was saying or this year the budget has him so "cuffufled" that he does not know what to say and he must say something willy nilly, and that is why I have said he has spoken so long and said so little about so

much, because the analysis which the Hon. Prime Minister gave to the House and which at the time he adopted was an analysis adopted by well recognised economists, economists who had no political axes to grind, who were outside of this country and not in the everyday political battle as we have to be, and I refer to the World Bank. The World Bank, reading the years from 1973 to 1976, found that the economy of this country was in a state of structural deficit and thought that it was necessary to take positive measures in order to move the economy on.

Mr. Speaker, during the years 1973 to 1976 there was a negative growth in the economy of Barbados, no growth at all. For the first time from 1976–77 the economy began to grow and particularly in the last quarter of 1976 there was a significant growth in the economy of this country, and that growth continued from 3.8 in 1976 to 4.7 in 1977 and I believe to almost 5% in 1978. Part of the problem for the slowdown in the economy was exactly the submission that hon. members on this side have been making, because the Rt. Hon. member's Government failed to appreciate that given the economic crisis which had confronted developing countries, it was very necessary to take corrective measures and to take them rapidly, if one was going to put things right. One could never excuse a Government which is either afraid and lack courage in the national interest, or a Government which had misjudgment when the national interest called for correct balanced judgment, or a Government which despite being confronted by the facts is so tired that it leads to the wrong decisions and leads to complete mismanagement of the economy. And if I may again adopt the words of the World Bank report, the Economic Memorandum of Barbados for 1978, it said there were three serious reasons why Barbados had reached this stage. It said that the monetary measures in Barbados were largely ineffective throughout the economic dislocation. It said secondly, the Central Bank had only just been created and it had to cope suddenly with simultaneous inflation and economic stagnation. Thirdly, there was uncertainty over the imposition of Exchange Control, a subject on which the Rt. Hon. Prime Minister, the Deputy Prime Minister and myself have talked on numerous occasions in this House and in the Senate during that period, giving advice to the hon. member, the Rt. Hon. Leader of the Opposition, and Mr. Philip Greaves who was then acting for him during a period, and had they taken the advice, positive and constructive advice, not destructive advice, the economy of this country would have weathered the storm and recovered more quickly.

The third reason, Sir — and I quote the actual words — "Government's fiscal policy during this period did not adequately compliment or support monetary measures." Those are strong but pungent words and completely critical of the stewardship of the Rt. Hon.

Leader of the Opposition, because the fiscal measures were measures that he should have implemented in his budgetary measures during the years, and that is not the opinion of a critic who may have a political bias, it is the opinion of an institution well respected in both developing and developed countries.

Mr. Speaker, this budget represents good management and it marks a realistic assessment of where we have come from, what we have now and where we have to go for the future. That is why the Minister could rightly be congratulated. There is no mystery in moving a Resolution of congratulation to the Minister on this, because the comments which we make are not only from a party that obviously has to put forward its own case but from independent observers, and again with your permission, Sir, I adopt the words of the World Bank in a recent report, as recent as April 10, 1979, in looking at the Caribbean economies. Page 3 of that report says that substantial progress has been made since mid-1978, and it goes on to single out two countries, Sir, and I want to get this into the record. Barbados and St. Lucia are the two countries which have been able to progress fastest over the last year; these two small countries share some important characteristics. Both of them have attached the highest priority to the development of efficient foreign exchange earning activities, particularly export industries and tourism, maintained well designed and managed policies to encourage the development of their private sector whenever necessary in association with foreign partners, managed their public finances soundly and maintained a very positive attitude towards the need to increase economic collaboration with the region, for instance, by establishing common services and vis-a-vis the rest of the world.

That is a very important comment, and if the people of Barbados have to judge this budget and to judge this Government on its performance, they could well take the high commendation given by the World Bank to the management of this country's economy during the past year, and I wish with those several thousands of Barbadians who listened yesterday to the Rt. Hon. Prime Minister and who were absolutely sympathetic to him in the circumstances even before he could bring the glad tidings to this House when there was an attempt to cut him short. I wish to congratulate him and my other colleagues in the Government on managing the country's public finances soundly. That is the World Bank, Sir, and I think we have to take seriously this sort of comment. It is not a comment from the Barbados Labour Party, it is not a comment from the Democratic Labour Party, it is not a comment from a particular supporter, it is the comment of an independent assessment of the fiscal and monetary measures, of the trade measures, of the whole package of measures which this Government has taken

and to which the people of Barbados have responded in their sincerity and with their efforts.

I also want to stress again that if you look in the sectors which have performed; in manufacturing, in tourism if you like, Sir, you will see the reason why we have done so well, and also in our efforts to increase productivity for which we must thank the workers of this country and the management as well, and at the same time with the efficiency with which this Government has gone about pruning unnecessary expenditure and bringing greater effectiveness and efficiency into the management of public affairs.

6.50 p.m.

I want to move on to a few of the other matters raised by the hon. member. He speaks of "sufferation among the lower echelons in Barbados". Can this be really so? In the two years nine months of Barbados Labour Party Government the gross national income per capita has risen in this country from about US \$1 300 to US \$1 850, and this is a country in which there is a more equal distribution of income than in any other country in the Western World, including the United States and Canada. So that you have had real growth in the economy, a genuine increase in the Gross Domestic Product and in the Gross National Income per capita of each one of our citizens, and you have had a redistribution of income, particularly at the lower level of society; and this Budget continues that package of measures which can only lead to a successful stewardship of the Barbados Labour Party. And I want to deal with why I say that this country has a much better distribution of income than many other countries. If you take the public sector and after tax you look at the average at the highest part of salaries in the public service and look at the average at the lowest level the difference is 4 to 1. I believe that in Cuba it is something like 9 to 1 and in other countries 13 to 1. In other word, the gross distortions that occur in other countries between those at the top and those at the bottom do not occur in Barbados. If hon. members wish me to show them the World Bank figures on this I will be willing to do so. It is one of the saving graces of our community which a few reckless people would wish to destroy by the misrepresentations of which the Hon. Prime Minister spoke and by the call for assassination, of which we have spoken on several occasions in this House. What I would like hon. members to do is not only to applaud the fact that this Budget brings down measures to assist a suffering CARICOM country and join with us in this, but also to join in our appeal to the few misguided people in our country who would wish to disturb the peaceful stability of Barbados, a country which is praised all over the world for its commonsense, its balanced judgement and its ability to move Governments from time to time by the ballot box and not the bullet.

I want to deal with another point made by the hon. member, and that is unemployment figures. The hon. member cannot criticise and say that there is no decrease in unemployment. His main criticism today is directed to the fact that the figures are only up to 1978. But if you look at his stewardship, he never gave figures in any detail except in his last Budget where he attempted to affix the figure of 13.5% as the unemployment figure. He never gave figures to show the true position of unemployment in Barbados. We have attempted to do so and we are correcting the problem so that Barbados will know the true unemployment position. We are dedicated on this side to move into the social justice of which he spoke. Barbadians must never forget that it was this party 40 years ago that began the long, arduous fight, not only to bring about adult suffrage to our country but also economic, social and other justice to Barbados. They must never forget the legacy of the great Sir Grantley Adams and those who helped him in those days. So we do not need to be taught now about social justice; it is that which we seek.

But the hon. member fell short of dealing with another part of the statistics of this Budget, dealing with unemployment, and that is the Employment Levy. I hope that Barbadians are not so short of memory as to forget the stringent criticism against the Prime Minister and the Government for introducing the Employment Levy. Meetings were held all over the country by the Democratic Labour Party and their paid servants criticising the Government for this measure. Indeed as recently as the last Estimates in March last month the Leader of the Opposition said that the figure for revenue from employment was a joke and that it was a true tax and had had no effect on the unemployment in this country. Now we have brought the facts to speak for themselves he remains mute. But it is shown obviously that not only has the Levy worked but has worked effectively, and there are two facts to support this -- an increase in the employment position and the fact that it has been beneficial in stimulating growth and investment in the country because the rate of tax has been reduced to 45% rather than 52% if one included the trade tax which this Government had the courage to abolish; another part of our Manifesto pledges carried out. We abolished the trade tax, we abolished the sales tax and we brought in an unemployment tax to stimulate employment and investment, and those who comply will get the benefit of the levy and that is what has happened here. But I think the hon. member came home to the position where he recognised he had to say something about a few things. I have listened to his pitiable reply to the abolition of the 10 cents for school meals. He says he agrees with it and I had hoped that he would have been more magnanimous and would have congratulated the Government on abolishing the 10 cents. Not so, but he congratulated the teachers. I asked myself where was the hon. member during the last 10 or 15 years? The teachers had been

agitating against him on this point since 1969, and if the hon. member had any judgement then and consideration for the people as he pretends he has, he would have had the foresight to be able to praise the teachers before 1979 by abolishing the 10 cents. But again he believes that we have short memories in this House and that the public at large has a short memory.

Now about school uniforms. He describes the school uniforms as an election gimmick. One would believe that school uniforms were promised now and that there is an election around the corner. But the Manifesto of the Barbados Labour Party promised free school uniforms, and you will recall that as recently as the by-election and more recently a few weeks ago Mr. Cameron Tudor, a man who when he says a thing is a fact it is really fiction, said that this was one of the pie-eyed promises we could never perform. But one of the greatest things the Minister of Education could have done in this International Year of the Child is to give the children free uniforms. We have done so and not only free uniforms but also free school meals at last. So why complain? Be statesmanlike and congratulate the Government for doing something like this.

The hon. member also dealt at length on gasoline prices and talked about postage price and oil grants.
7.00 p.m.

I want again to remind the Democratic Labour Party that the Government has been bound by an agreement entered into in 1961 by the Democratic Labour Party with Mobil Oil Ltd. It was in 1962 and we have to charge the prices willy nilly by the Platto oil gram in the Caribbean. I am sure that the Deputy Prime Minister will speak about this when he comes; but I want to make another point. In 1974 the hon. member raised the price of gasoline four times and we have done it in less time than that.

I want, Sir, to perhaps quote from an old English writer well known in constitutional history; and I want to substitute where he writes "English people", "Barbadian people". He says: "No doubt the English people -- let me put there Barbadian people -- do not like high taxation. Scarcely anything gives the Government so much popularity as a great budget in which many taxes are taken off; but too often as a nation we do not mentally compare the two sides of the account. We wish to have more and more expensive things and yet we wish to contribute less and less money to pay for those things."

I believe, Sir, that the Minister of Finance has struck the right balance which that quotation calls for. He introduced the Budget, that is, a great Budget, that has given relief where relief is most needed, and has had to take a little bit back from those who could give more so

that we can give more to those who have a little; and he should be congratulated. (*Cheers*)

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that this sitting be now suspended until 8 o'clock 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: This sitting is now resumed. The hon. member for St. Michael West.

Mr. JOHNSON: Mr. Speaker, the hon. member for St. John led off by saying that it was the policy of the Democratic Labour Party to shed light where there was obscurity. I do not doubt that this is his assigned mission. The only thing that puzzles me, Sir, is that it appears as if he has mistaken darkness for light because we continue to get from him more obscurity than light. I could have predicted, Sir, that he would have come in here today and he would have filibustered for two hours in a style characteristic of himself. I sometimes believe that he is a ventriloquist, and that underneath his desk there is a record player going and only his mouth is moving; because he manages to make the same speech on almost every occasion when we come into this House on the National Estimates or on the National Budget.

I believe, Sir, that any fair thinking Barbadian will of necessity conclude that this Budget is the most socially conscious Budget that this country has seen in a very long time; but then, again, Sir, it has always been the tradition of the Barbados Labour Party to be deeply rooted in the human condition. We put great stock not on a lot of rhetoric, but we make a determined effort to improve the lot of the working class, and this has been our mission ever since Sir Grantley first took over the mantles in this country.

To look at some of the important aspects of this Budget, I should like, Sir, to draw your attention to one item in particular which was one of the items mentioned by the hon. member for St. John. He indicated, Sir, that he was giving advice. That the Barbados Labour Party had a duty or responsibility to diversify its agriculture. Now, Sir, you would not believe that this advice is coming from the man who launched the greatest assault ever in the history of this country. He manages now to be able to give us of his sole wisdom, teaching us how to manage

our agricultural production; but I would like to draw attention to the Economic Report on Barbados 1978, and point out that as regards Agriculture the policy of the Barbados Labour Party which is enunciated in our Manifesto is precisely the policy which is being followed by this Government, and with significant advantage we are managing to address our attention to those things which we feel are vital to the welfare and economic development of our nation.

In 1978 the gross domestic value of sugar fell slightly.

Mr. SPEAKER: For the benefit of the Hansard Reporter please say what is the page.

Mr. JOHNSON: Page 17, Sir. Barbados Economic Report, 1978. I am reading at the third paragraph. "Actual sugar output declined by 120,000 tons in 1977." But, Sir, it is significant to note that this particular year was a year which was characterised by drought and heavy incidence of the burning of sugar cane in this country. But even in spite of that, we see the policy of the Barbados Labour Party Government reflected; and if we were to go to Page 19 of the Report, Sir, you will see the effects of agricultural diversification. Carrots, for an example, increased in production significantly in 1978 over 1977. So did pumpkin. So did beet root and so did sweet potatoes.

Sir, the Barbados Labour Party does not only produce. It exports these products to help this country earn the valuable foreign exchange that we need in order to improve the lot of our people. Our policy, the policy of the Minister of Finance in the early stages of our administration, has been to take the necessary corrective action that was indicated in order to reverse a trend of downward slide initiated by the hon. member for St. John.
8.05 p.m.

The result of that policy has been that the Barbados Labour Party Government and Minister of Finance was able yesterday to come to this House and translate what would have been regarded by the Opposition as castor oil into sweet medicine. We are able to come in here and announce measures, concessions to the people of Barbados which have never entered the thinking of the Democratic Labour Party. The hon. member for St. John indicated that he was in the undertaking business. He said that in 1976 he gave an undertaking to old age pensioners to increase the amount they were getting from \$13 to \$16. He gave an undertaking, so he is an undertaker. The Barbados Labour Party Government does not undertake; it initiates action. It raised old age pensioners' small pittance up to \$20, one of the pledges in the Barbados Labour Party's manifesto.

Now, Sir, it is unusual and I believe it is a condition that you will find only in this country, that when this Government chooses to do good for the people of this country, the Opposition benches manage to throw coals of fire upon our heads. We would have thought that it would be possible for the Opposition benches to come in here and acknowledge that this Government has made some significant gestures towards the economic emancipation of our people. We not only increased old age pensions, but one of the most depressed sectors of our economy, and I am talking now about housing, got a significant injection, and it came only because this Government was able to bring sound management principles that generated the kind of surpluses which could be usefully employed to defray some of the costs that will of necessity be incurred in the granting of these concessions. I was perplexed and I wondered how would the Leader of the Opposition cope with this Budget.

This year he came into this House when we were dealing with the Estimates and talked for a long time; he came in here today again and talked for an equally long time, but he has not been able to attack one measure put forward by this Government in this national Budget. I should like to recognise, Sir, that for a long time the people in Barbados have been having great difficulty in finding the necessary mortgage money to construct houses. The Barbados Labour Party government in this Budget has made it significantly easier for the average person in this country to own his own home. These we believe are the measures of an enlightened socialist oriented Government that concentrates upon the genuine social needs of our country and deals with these matters in an enlightened fashion. It is not useful for anybody to come into this Chamber and say that we ought to subsidise gasoline and things like that. I am a little surprised to hear these kinds of statements coming from the other side, and I ask any thinking person to tell us which is more worthy of commendation — a subsidy on gasoline or an improvement in the lot of the old age pensioners? Which is better, a subsidy on gasoline or a policy that makes it easier for people to own their own homes? Which is more worthy, a subsidy on gasoline or granting generous and equal concessions to women who are employed in this country?

For a long time this country has laboured under a double system, women not equal in any measure, and under the enlightened initiative of the hon. member for Christ Church West women have been given a significant boost, and the Hon. Minister of Finance has come in here again and demonstrated the forward and progressive thinking of this party where women for the first time in the history of Barbados can claim income tax on separate forms and get the same concessions as men have always got in this country. These in my view, Sir, are purposeful managerial decisions that come from planning, that come from

organising the limited resources of our country and putting them to useful purpose for the benefit of the greater masses of our country.

The hon. member for St. John talked about school meals, and it is always interesting and it perplexes me how a party that promises to be oriented towards the emancipation of the working class persons in this country can come in here and give the impression that the granting of school meals to the children of our country on a free basis is something that is not desirable. He said that it was the policy of the Democratic Labour Party to charge ten cents to create the illusion, my word, in the minds of the students that they were buying their own meals, and this coming from a great economist, they tell me, a great emancipator who himself walks around all over the country bragging about the fact that he introduced free education in our nation, but at the same time when the Barbados Labour Party fulfils its manifesto pledges to bring free school uniforms to our country's children, that is not desirable and he projects that is going to be a sad stroke for this party, but, Sir, we prefer to err on the side of action doing things for the people of this country than to spend fifteen years as did the former party mismanaging our economy in such a fashion that the measures which we are now able to afford were never regarded in the minds of that group as being at all possible in the history of Barbados.

Mr. Speaker, I should like to turn my attention for a moment to the broad topic of individual income tax. I had somebody introduce to my attention this morning that the tax measures proposed by the Hon. Minister of Finance were not indeed as pervasive as we had represented. He focussed his attention on the tax table. He told me that there was only modest gains if any gains at all on the tax table, part of the whole income tax package, but, Sir, I should like to invite everybody who is interested to pay attention to the planning, to the execution of the Barbados Labour Party Government in this matter. It was not a piecemeal affair and it is not to be regarded in its micro aspects, it is to be looked upon as a macro programme, a broad programme that touches upon every aspect of taxation in this country, not only on the tax table, but upon the generous concessions offered to women and men in the same household to file separately, a measure which for the first time again removes that old foolish principle that a man living in his own house must impute income from that privilege, and that principle of imputed income has been removed in this Budget, and it is significant again for any man who owns or aspires to ownership of his own house, because now one can live in one's house free and the only burden which he has to bear is the burden of the mortgage which itself is chargeable in large measure against the assessable income to further reduce his taxable income.

8.15 p.m.

Those are important concessions for a country which stands tall in this hemisphere and a country which is able to deal with its problems in this fashion and to bring to a nation in this day and age and when every one around us seems to be drawn into the throes of hardship and privation, Barbados alone in this hemisphere stands like a passion of hope and a light in the wilderness pointing other people to the way of management as the principal that we employ rather than an *ad hoc* application of principles that are not clearly understood by the persons who are administering these principles.

I stood here, Sir, and heard the hon. member for St. John make the incursion that it was not management, it was manipulation. Well, Sir, I do not know how it is possible for anybody to manipulate so effectively as to bring these long lasting measures home to our people. If, Sir, we may look for a moment at some of the lighter aspects of the Budget. You see, Sir, I am a people oriented person. I have the constituents in St. Michael South West who come from all spheres in the society. It is a stratified society and we have a good stratified group in St. Michael West and I want to bring the attention of the people of St. Michael West to every aspect of this Budget. Let them understand clearly why the Barbados Labour Party has done what it has done and the significance it would have for them.

I want to draw the attention of the people of Barbados, the entire nation to the Budget to let them understand the implications for them. We take the bicycle riders, a group largely forgotten. Since I was a boy bicycles had to be paid for every year but the Hon. Minister of Finance recognising the significance of this burden decided to introduce a once only registration charge for bicycles. It may not be significant for the hon. member for St. Michael North Central but it is a significant measure for the working class people of our nation. He does not ride a bicycle.

I want, Sir, to contrast it to the policy of the Democratic Labour Party. We have sat in this Chamber and we have heard the hon. member for St. Michael South Central castigate the Government for eliminating the 5% Sales Tax saying that it was wrong to do it and I am still perplexed to understand how it is possible for any hon. member in this day and age who realise the regressive nature of the Sales Tax generally to come into this Chamber and say it is wrong to remove the \$6 million of tax burden from the working class people in this country because that tax falls disproportionately on the people in the lower rungs of our economy. The poor people bear the larger share of that 5% burden of that Sales Tax. We eliminated it and the hon. member for St.

Michael South Central said it was wrong. We replaced it by taxation that does not impose any burden on the working class people of this country at all.

We heard the hon. member for St. John during the Estimates in March castigate the hon. member for St. Thomas, the Hon. Prime Minister, for the Employment Levy. He called it the Employers' Tax. He said that it was wrong, that it was economic madness and I notice significantly that he did not mention it once tonight and that is why I admire the man sometimes because he keeps his mouth shut when it matters and when anybody...

Mr. SPEAKER: When you say "man", I think you mean the hon. member.

Mr. JOHNSON: I am sorry, Sir, the hon. member. The Rt. Hon. member, I am told. He keeps his mouth shut when it matters, sneaks out like the Arabian Knights, steals away slowly and hides because he recognises that it is not possible for him to come in here tonight and say anything of any consequence on any matter that this Government has brought forward. The Employment Levy points to the Minister of Finance. It has worked and it is working better than anybody in Barbados dare to suggest. (Cheers). I am certain that there is not going to be a single old aged pensioner tonight who is going to feel distressed by the fact that she is going to get an additional \$4 and it was the Barbados Labour Party Government that did it. It did not undertake, it did it and this is the difference between this side and that side. We do not undertake to do, we do and the people of Barbados are the prime beneficiaries.

This tax free Budget indicates the importance of the usefulness and the pre-eminence of a sound economic system of Management. If you do not manage this is a principle that any man in the street can understand. If you do not manage your resources you are bound to end up in poverty sooner or later and I would like to tell hon. members on that side that these measures are measures that can only come from a people oriented Government and the Barbados Labour Party.

Mr. SPEAKER: The hon. member has 3½ minutes during which to wind up.

Mr. JOHNSON: Thank you, Sir. Mr. Speaker, Sir, we in Barbados have traditionally been charged with having memories that are short and I am slowly coming to that conclusion myself because it is possible for people not to remember what things were like before they got better. I hear people talk all the time about the onerous cost of living in Barbados. I hear them talk about inflation, as if it has never been higher in the history of our country. I would like to point out, Sir, that bus fares, as an example, is again directed to the man in the street because he is the person of whom we are talking, the

ordinary person who will benefit substantially from these measures. Bus fares have increased in this Budget to 45 cents, one stage. I wonder if the hon. member for St. Lucy, for example, would remember not so long ago when it was 65 cents in his stage. To get from Pie Corner to Bridgetown it was 65 cents, four years ago and now we are coming in here and hearing that 45 cents is too much. It is too severe an imposition.

8.25 p.m.

The hon. member for St. John talks about the increase in the burden that the people have to bear. I wonder if he can remember when people in Barbados used to have to spend a large chunk of their wages on their food bill, a food bill which has been substantially reduced in almost every particular measure under the Barbados Labour Party. We have made these points in here time and time again and I do not think it is necessary for us to enunciate them again, but people must recognise that it is the duty of an Opposition, I feel, to make propaganda when it suits their purpose, but they must always keep their minds rooted in reality so that they will be able to appreciate the significant improvement in their lot, because upward mobility brings with it a greater desire for more forward mobility. The more a man gets the more his level of aspiration increases, and that is what we have in this society. The Barbados Labour Party has shown Barbadians that they need not walk around continually under a burden of oppression, and we are able to point the people's minds in a direction of greater utilisation of their resources, and this Government I am sure, Sir, needs to be commended, not castigated, for its efforts.

There are other things which I am sure we could usefully allude to, but the allotted time has gone. I would like to say this in closing to the people of this nation. Sacrifice is the only means through which any useful achievement can be accomplished. It is not possible to believe any longer that we can continue to fritter away our resources by wantonness like the prodigal son in profligacy and still expect at the end of the road to have those things which are so vital and useful to our national upliftment. And I would invite all Barbadians tonight to let us resolve now and for henceforth to root our minds firmly in those principles that were laid down by our forefathers — industry and labour, hard work, self-application, self-denial — so that we can reap a greater benefit in later days, and this is deferred gratification. You cannot have your cake and eat it too, and I would suggest that if we follow this path this nation under the Barbados Labour Party will continue to go from strength to strength, and I am sure that when we lay down our burdens the Barbados Labour Party.....

Mr. SPEAKER: The hon. member will now sit down.

Mr. JOHNSON: Lay down our burdens and sit down, the Barbados Labour Party will be greatly commended for this stage through which it has led this nation.

Mr. SPEAKER: The hon. member for St. Michael North Central.

Dr. CADDLE: Mr. Speaker, as I have sat here and pondered on the operations relative to the presentation of these budgetary proposals, I am reminded of a medical situation which is best brought out in the phrase: "Operation successful but somehow the patient died;" or if the Hon. Prime Minister would like me to repeat the words he used not so very long ago when discussing the budget, "sweet as honey in your mouth, but when you have chewed it up and swallowed, bitter as gall in your stomach."

Mr. Speaker, the Prime Minister has set out on page 13 his major objectives:

- (1) the need to mobilise additional domestic savings, channel the resources so realised into productive avenues of investment for employment generation;
- (2) the need to promote higher productivity by producing incentive tax and otherwise for greater personal efforts by Barbadians; and
- (3) the critical need to ensure maximum energy conservation, especially in view of the fact that the major part of our petroleum supplies are still obtained by the use of scarce foreign exchange.

It is my view that if one is going to assess the merits or demerits of these proposals they must be assessed in the light of how far these proposals go to achieve these objectives.

I am submitting Sir, in relation to Objective 3 that there is very little in these proposals which relates directly to the critical need to ensure maximum energy conservation and so on. I do recall that somewhere in these budgetary proposals the Hon. Prime Minister stated that he will increase taxation on cars whose resale value would be in the vicinity of \$20,000, but it is seriously debatable to what extent this type of taxation is going to reduce the need for oil imports or ensure maximum energy conservation, because the vehicles we have to contend with are already on the roads of Barbados. I will agree with him, without him having to nudge me in that direction, that this must be a major effort on the part of Barbadians to restrict any further imports of oil or oil products, but I would like to say that I feel quite strongly that the Hon. Prime Minister should go a lot further in realising Objective 3.

Maybe somewhere along the lines in desiring to do what he considers to be best in his judgment he has to pay attention to the pressures which may be put upon him not to do things that may necessarily cause his Government to become more unfavourable in the eyes of the public.

Sir, we have heard nothing from the Hon. Prime Minister about the need to encourage domestic energy, we have heard nothing about the need to encourage energy conservation, and there is one area which I would like to point out to him in which there is a great need, in the area of solar heaters. It is amazing that a Government which is so concerned with giving these advantages or incentives to people has failed to recognise the importance of giving people some assistance by way of tax relief or by giving the people who are involved in that type of activity direct assistance to enable Barbadians to use more and more solar heaters, because there is some relationship between the use of solar heaters and the amount of electricity or light and power consumed. As we know, our light and power depend upon the use of oil for its generation.

One would like also to hear what is being done for the further use of the natural gas reserves in this country. This is a matter we have heard a lot about in the past but to date the present Government has done nothing to bring that supply of natural gas which we understand is abundant into the homes of many more people in this country, so when one looks at Objective No. 3 and analyses what is contained within the budgetary proposals, I am submitting to the Hon. Prime Minister that there is very little in his budgetary proposals which sets out to achieve Objective No. 3.

There can be little quarrel with anybody if they say that there is a need to promote higher productivity in this country, because when you look at the prices of commodities and services in this country, one appreciates at some time that the failure to produce or to increase your productivity may be an additive fact in the rise of the cost of these goods and services, and therefore it is incumbent upon the people of this country to get better or increased productivity. But here again I am a bit at a loss to see in these proposals any direct effort being made to achieve higher productivity, and the type of proposals which have been portrayed here, one would have to wait for the next six months to find out whether or not they are going to work.

As regards Objective No. 1, another way of putting this is to encourage capital formation, and while it is true that some people may get satisfaction out of the dividend credit, something which I believe the Hon. Attorney General may feel satisfied or take some credit in achieving for people of this country, one is not

aware of anything being done here for the middle and lower income people in this country.
8.35 p.m.

I am throwing it out to the Prime Minister that right now the interest which people get on their savings is being taxed and I wonder how is it he has missed out these people while in his efforts to give dividend credits to people who are already in a privileged position, because I want to make it clear that the poor people of this country have no dividends, and if you are not going to appear to be unduly partial to one section of the community by giving dividend credits to one section of the community, one still has to ask what are you doing for the poor people whose only way of retaining money is through saving and you tax the interest they get from the banks?

I would like to take a look at some other measures. Take mortgages for example. If one made a survey of activities in this country in the building industry, one must appreciate that the house of the average middle income person today cost about \$70 000. And with the facility operating for a mortgage of sometimes up to 90% of that money, one would observe that the interest one would have to pay could well exceed \$6 000 a year. Right now the present position is that what interest you pay you can have that as a deduction for income tax purposes. But with this limit of \$6 000 there will be many people who will find that they are now being prevented from claiming all the money they pay in interest because of this new imposition, and in view of the fact of the high cost of building and the length to which people have to go to get money to build the house, I feel this is an unnecessary incumbrance at this stage.

As regards the Registered Retirement Plan, I am saying that is a measure intended to benefit only professional people. I would like to hear from the Hon. Prime Minister how with the type of constraints under which he says the economy is operating he can have this kind of exercise for the benefit of a small section of the community.

Turning attention to the abolition of the 10 cents for school meals. I would like to congratulate the Prime Minister for his ability to convert misfortune into good fortune, and I would like to say that I am aware that the abolition of the 10 cents for school meals means a direct saving to the Government. Apart from dissipating the quarrel with the Barbados Union of Teachers without having to do anything directly with their representatives, he is also in a position to ensure that those people now employed to go from school to school and collect this money and paid \$900 a month or more there will be no further need for them.

Therefore the actual removal of this total sum of \$700 000 will result in the benefit of more than \$700 000.

Sir, when one looks seriously at the increase in personal allowances, let us look at where an allowance has been increased from \$1 200 to \$1 600; that works out to a little less than \$34 per month; and when you match that increase against the increase in taxes on other items and the other impositions coming out of this budget you will observe that the benefit of this \$34 a month is immediately removed by the imposition of new taxation and the other things likely to be increased as a result of this taxation. To mention a few — bus fares have gone up; water rates have gone up; gasoline has gone up. And as a result of the necessity to increase rate charges for carrying goods from one area to another, the goods which a consumer has to buy will go up. That is why I am contending that while it does appear that this increase allowance of \$34 per month is a good thing, it is immediately removed by the imposition of these taxes.

When you look at the question of the increase in water rates with this surcharge above an amount of 150 cubic metres, where people are allowed to pay one rate below 150,000 cubic metres and above that they have to pay at the commercial rate. With this you are likely to put an inhibition on those people who now use water in their backyard gardens. When you introduce this measure you are likely to find there is no longer an incentive to grow these vegetables because the people will have to pay more for water. We have to be concerned about the growing of vegetables. A lot has been said about agriculture; we don't only want to grow these vegetables on plantations but also by the small people for their own domestic consumption; so we have to be concerned about any impositions that might lead to any inhibition in this regard.

Another thing, the increase in the price of beverages is another way of eroding the increase in personal allowances. A lot of people who work on industrial estates have to resort to beverages for lunch and you will find that already there has been some reluctance on the part of manufacturers of these beverages to supply the beverages because they are waiting for an increase in the price of their soft drinks. Many of these people on the industrial estates have small wages, and a large portion of their money will now have to go in bus fares, soft drinks and other areas likely to be affected by these impositions. I am well aware that it is always difficult to do everything to please everybody, but I am concerned that in a Government in which there is so much shouting about the desire to ameliorate conditions of the local man and relieve the pressures on him — especially when they contend that the previous administration did little or nothing to improve the lot of these people — I am concerned that far from achieving that we are seeing repeatedly increased pressures on the lower sections of the Barbadian community.

Another matter of concern is the property allowances. We have heard nothing definite, but somewhere in the proposals there is a veiled threat in the suggestion "reasonable allowances will be permitted", and a lot of people in this country are already worried about what is intended to be understood by "reasonable allowances". Does that mean that they will no longer be permitted to claim all the expenses they incurred in repairing their home? Up to now this has been the case, and you have the interesting situation where if you discourage people from repairing their home you may also be having a very sad effect on the employment opportunities in the building industry, because if people do not repair their homes, obviously there will be less work going around. And I would like to believe that it should be our intention to increase employment opportunities at any cost or on any occasion.

On the question of the Betterment Levy, one would have to say this to the hon. member for St. Michael North West, that if he had succeeded we hope it will redound to his benefit at election time, because certainly we have heard little of this Betterment Levy until recently and we know the pressure under which the hon. member has been put to get something done about it, and I would like to compliment him on the result.

8.45 p.m.

Sir, there is another point that I am coming to, and it is pensions, especially National Insurance Pensions. Recently we have had tremendous increases in contributions to National Insurance; and therefore we would like to believe that the National Insurance is in a position to pay these increases, maybe to pay even more than \$25 a week; but what I am concerned with is that in private enterprise where people have pension schemes for the employee, they are tied in with the National Insurance Scheme so that the total pension paid a person does not exceed two thirds of the salary that they draw; but we have the interesting position in this country where the retired pension plan for professional people is not tied into that and they are in a position then to draw as much pension as they like; but you are trying to limit other people lower down to two thirds of their salary by this tying in of the private pension plan with the National Insurance; and here again it does appear that you are being partial to one section of the community and not another.

Sir, the removal of the 5 per cent, 15 percent and 25 percent rates will expose a lot and will reveal a lot as one studies these in more detail in the future. I am quite certain that a study is going to show up some interesting results. The person who has a taxable income of \$3,000 now is not affected because that is what they are paying. The man who has a taxable income of \$4,000 he benefits; but people with \$5,000 up do not benefit and they are going to find that they are paying more on their assessment than they were paying in the past.

For example, a man with a taxable income of \$8,000 will be charged at 30 per cent which is \$2,400. Check out what it was under the previous system. And it is interesting to observe that although it might appear that one is getting some benefit from the removal of these, you have to look seriously when you have the figures, when you have the actual number of people in each bracket; because those are not available and one may very well get the impression that you are getting some benefit by the removal of these brackets. That need not be the case. Unless you can have the actual number of people in each bracket under the old system, and try to relate it now to the new system, you are not in a position to claim that there is any benefit to be derived by the removal of these; because in any case if a man has a taxable income of less than \$3,000 now, he is paying 10 per cent, and under the old system the rates were different. This is a matter which one has to be concerned with.

As to the question of insurance premiums, again this will only benefit a certain section of the community. Already they have an allowance of \$1,500. They have already been given another allowance of \$1,500 for retired pensions plans; and super-imposed on that, those people who can really afford it are now given another \$500 for their children. These are benefits which when you relate them to the Barbadian society are going to only affect a small section of the Barbados community; and this is something which the Government will have to explain, because you are dealing with people who are already in a position to do these things; and one has to ask whether they need any further relief from the Government to do more things than you would like the other sections of the community to do.

So I say that while one can look on a broad basis on all the political aspects of a Budget, whether they please people, whether they are vote catching or not, I am not prepared to see it from that point of view. I am prepared to look at it from the point of view of the objectives enumerated by the Minister of Finance. These objectives are set out quite clearly on Page 13 of his Budgetary Proposals; and I have attempted to relate what is contained in his Budgetary Proposals to these objectives; and I am not satisfied in my mind that he has gone far enough to really achieve the objectives which he has set himself. It is for him in his reply to show to me that that is what he has done.

I have no quarrel with giving benefits here and taking them back there, if we can do it; because I feel that in any country people look forward to tax relief. In Barbados people have been looking forward for a very long time for tax relief, especially from this Government; because during 1976 the opinion has been created in the minds of the people of Barbados that they were over taxed; and it is strange to observe that in this Statement,

the Hon. Minister of Finance is trying to create the impression that the people of this country are not overtaxed. In fact I cannot find the page right before me, but somewhere he stated that in developed countries the revenue collected by taxation represents 40 per cent of the cross domestic product, and in developing countries it is about 20 per cent. In Barbados it is 30 per cent; and Barbados can now be more or less considered as a developing country; so one can readily deduct from that that we have not yet reached the 40 per cent level as compared with developed countries; and in the near future we may very well see steps taken to bring us into that level.

It is very strange at this stage to observe that now that you have the Government to run you are saying or indirectly saying that Barbadians can afford to pay more taxes; but when you were opposing the then administration it was being created in the minds of the people of this country that they were over taxed, and given the Government, you would set about to remove the grounds of complaint. So far.....

Mr. SPEAKER: The hon. member has three and a half minutes.

Dr. CADDLE: So far, Sir, since that party has taken over the reins of Government of this country, we have seen measures which can only add up to increased taxation to the people of this country. Some of these measures have been introduced during the Budgetary Proposals, and other measures have been introduced at other times outside the Budgetary Proposals during the year; and it is not surprising to me that in 1979 the people of this country should get back in some measure some of the taxation which they have had to put up with in the previous two years, and I would like to say, Sir, that while the people in some areas may feel happy about this, I think a lot more will have to be done to satisfy the people of this country that the taxation which they have had to undergo in the previous two years has been in their best interest personally or individually, and in the best interest of the country collectively.

I am looking forward, Sir, quite eagerly, to hear the Hon. Minister of Finance when he replies not to be caught up by the politicking that goes on all the time when we come to these types of affairs before the House, but to set out to convince people like myself that the proposals which he has introduced will achieve the objectives which he has enumerated on Page 13 of his document; and it is my contention, Sir, that six months from now the people of this country will realise that they are no better off with these new Budgetary Proposals than they were before.

8.55 p.m.

Mr. SPEAKER: The hon. member for St. Michael South East.

Mr. BRADSHAW: Mr. Speaker, after listening to the hon. member who has just sat down, I am at a loss as to what his points of criticism really are. I have been in touch with several people in this country. This morning my telephone was flooded with calls, and most of these calls, Mr. Speaker, were calls expressing congratulations to my Government and in particular the Minister of Finance for delivering such a comprehensive and proper Budget.

Now I do not know what the Opposition is quarrelling about. Maybe it is because they have found themselves not to be in a situation where they have got anything to criticise, but the duty of the Opposition is to criticise, and that is exactly what they are doing today as their main function. I have no quarrel with them for performing that particular function, but we have got to be realistic; we have got to understand, as the Rt. Hon. Leader of the Opposition said, what a Budget is all about.

A Budget, Mr. Speaker, must take into consideration the plight of the country, the plight of the economy and the Minister of Finance must set about to rectify or adjust those wrongs or those imbalances which he finds in the economy, and that is exactly what this Budget is setting about to do. In other words, the Budget has been described by someone as the poor man's Budget, because, Sir, when you examine the benefits which the poor man, the small man stands to derive, we can aptly describe it as the poor man's Budget. Sir, what have we seen in the Budgetary Proposals? We have seen relief for the poor old man, the poor old woman, consideration of the pensioner, consideration of the future of the children of this country, consideration of married couples, consideration of single people in this country.

Sir, I want to begin with the Proposals and how they benefit the poor old man and the poor old woman. We have seen from our experience where the pensioners, the old people of the country have been unable over the past years to live off the meagre pension which they were receiving. As one hon. member from that side has rightly said, it was this Government when in Opposition that called upon the then Government which is now in Opposition to increase the allowance or the pension granted to pensioners, but it took them fifteen years to reach or attain \$13 a week. Note, Sir, fifteen years in power and it took them that length of time from 1961 to increase the pension from just under \$2.00 to \$13.00, but we as a new Government have within the past two years and nine months moved it from \$13 to \$20.

Sir, let us reflect on what the Opposition has been calling on this Government to examine. They have been calling upon the Government to examine and look at the old age pensioners. You heard them say that \$20 is not enough. Some of them have the gall to call on this Government to go beyond the \$20, but we did not stop there, and I want all the old age pensioners to understand

as well as the whole of Barbados to understand that this Government has not only increased the pension from \$16 to \$20, but it has in addition given the old age pensioners the right to travel on the buses free, and Sir, it adds lots of benefits to that, because now an old age pensioner can travel on the bus, let us say, ten times a week or more often to look for her grand-children or great grand children or even her children, but let us take a round off number of times a pensioner has to travel as ten times; that pensioner would be saving 10 by 45 cents which is \$4.50, and if you were to add that to the already given \$20, you will see that the pensioner is benefiting to the tune of \$24.50.

Now, Sir, we have looked at the pensioners and we have realised that those people have made an invaluable contribution to this country and we realise that they deserve better treatment than what they have been getting under the past administration. Those pensioners had been asking the former administration to consider passes for them. At long last we as the Government have come to their pleas, and I am sure that those pensioners welcome this move by the Government. Not only that, Sir, because I want to dwell on this poor old man, that is what the Opposition has been saying night after night on the public platforms. They give the public the impression that this Government is not interested in the poor people of this community.

Next I must set about to clarify the situation on this occasion. Now I do not know if the hon. members on that side realise and understand that it is the poor old man who owns the donkey cart and horse cart. If they were interested in the poor old man and poor old woman, why couldn't they when they were in power relieve these donkey and horse cart owners of the tax which this Government has set about to relieve them of. Now let us look at it. They talk about poor people; the poor people include the poor boy and girl who cannot afford a motor car, but their main means of transportation is a bicycle. Now what have we done. We realised that year after year a boy and girl or even the father or the grandfather who owned a bicycle was confronted with the problem of raising the \$2 or \$3 to pay for his bicycle number plate. Some of them were hauled before the Magistrate's court because they could not afford to pay for the bicycle which they owned. They were fined. That administration, the former administration, never considered the bicycle owner. Now they understand it is the poor person who cannot afford to buy a motor car that owns a bicycle. The Rt. Hon. Prime Minister and Minister of Finance has understood this situation and hence he has set about to relieve what was a problem of these people.

9.05 p.m.

Yesterday, Sir, when the Hon. Prime Minister delivered his Budget, I looked across into the Public Gallery and I witnessed a scene. Two or three young men got up and actually started to applaud. It was then, Sir,

that I realised that the poor man who could only afford a bicycle was satisfied that the Rt. Hon. Prime Minister had interest in his needs. So, Sir, we have got to understand who is trying to do what in this particular instance. The people out there who are deriving the benefits are satisfied. What is wrong with the Hon. Prime Minister encouraging people to save? Does the hon. member who just sat down not understand that if you have your money in the National Bank there is interest on it. You can have tax credits for your savings on the accumulated interest. Does he know that? No, Sir, because the hon. member had on more than one occasion openly said he does not believe in putting money on the Banks so therefore this would be rather offensive to him when the Hon. Prime Minister encourages people to save.

Now, Sir, I am a product of the poor in the community and I would like to draw the attention of the hon. member who just sat down and like some of his colleagues who are better off, to the fact that instead of going around the country at nights telling people about the high price they have to pay in the Supermarkets and at the same time telling them how rich they are, they should take some of the money which they have and open one or two supermarkets and call it the Poor People's Supermarket. It is then that they will have demonstrated their concern in a positive manner for the poor people of this community but as long as they continue to preach about the poor people and continue to be rich and boast about their richness without giving to the poor I will say that this seems to me as double standards as far as the people are concerned and the people of this country will judge those people when they talk about the poor man.

Some of them I know in this community are professionals. I would like to ask them do you have two sets of standards, one for the poor and one for the rich? Do you have two sets of fees, one for the poor and one for the rich? Sir, as far as I know, the fees are all the same. What I am trying to point out is that we have got to understand that in 1979 people are listening and watching us who are set in a privileged position to set examples and stop preaching the things we do not practice. The results may be short-termed but surely the people are going to judge such people by their utterances.

Now, Sir, let me turn to the small man because I have been hearing this night after night, and you come in here now and you hear members from the Opposition talking about the small man and what benefits can be derived from this Budget. Now does the hon. member who just sat down know that it was the member for St. Michael North West who was then Minister of Trade? In 1975 he said that the day of the one door shop is not only passed but probably forgotten. When we analyse a statement like that delivered by a former Minister who not sits on the Opposition Bench what do we find, Sir?

Do not we understand from that statement, Sir, that he was saying that they had no interest in the small shopkeeper, they had no interest in the small man; that he does not care; that it was not his Government's policy to be concerned about the plight of the small man? How can they, Sir, come before this Honourable Chamber or go to the public saying that they are now taking up the cause of the poor man?

Now, Sir, a point that is worthy to note is this that during the last four years of the last Government's regime some 450 small shops had to be closed. They were forced to be closed and not one single thing was done to help those people keep their doors open but, Sir, just before the Election you heard them come out with some bogus policy to assist the small shopkeepers. We heard that some fund was to be set up to lend these poor shopkeepers to save them from the arms of the Roebuck Street Merchants. That is what I heard. We want to make it clear this afternoon that there is no plans, no policy at all, nothing committed in writing to show that the former Administration intended to do anything at all for those people. That is what you call political trickery. That is what you call it, Sir, and the people of this country have to understand that these people go around the place as beneficiaries of the poor or the small shopkeeper. Sir, we have got to see them for what they are.

What this Government has done for those same poor shopkeepers and for the small businessmen is to make it possible for them to obtain loans or even professional services to assist them with their business. Sir, we have seen the results. You only have to go into the bus stand. Go into the market and you will see the moving canteens, the mobile canteens, like the Kat's Snackette, over in the Bus Stand. All of these have emerged, Sir, as a result of the policy which this Government has initiated for the small man. There is no longer a monopoly for the catering business. The small man is now able to chip in and benefit from the catering service so that is what I call a Government working for and on behalf of the poor man, a man who before under the past Government could not afford to open a business. Apart from opening a business, he was forced to close.

Now, Sir, we have got to understand. Let us look at the tax measures. Income Tax is a big thing in Barbados. Everybody expected some sort of relief but, Sir, what is strange is that I came in here week after week, day after day, hearing the Opposition complain saying that the Minister of Finance was incapable of managing the country. You heard them every week after attaining power saying that we were unable to run the Government. We could not do it. There was nobody like the magician from St. John, the hon. member for St. John. There was nobody like him. He was the only body who could run this country. He was the only one who

knew about financial matters, but then the people of Barbados in 1976 gave a lie to that belief when they elected this Government who was given the fortune of having the Rt. Hon. Prime Minister (*Cheers*).

9.15 p.m.

I am sure that the people of this country are convinced beyond any shadow of a doubt that the Hon. Prime Minister is capable of performing his task efficiently. Let us look at the income tax and what it means to the poor man and to the lower income bracket person. Sir, remember when the Minister of Finance two years ago announced that for the first time he would be granting an allowance to parents who had children going to paying schools? It was the first time. Not only that, but on that occasion he increased the allowance. What have we seen in this present budget? A further increase in the allowance as far as those children are concerned. It means that the Minister of Finance understands what is meant by inflation, how inflation can overtake the economy and the effect of it, and hence there has been an attempt in this budget to adjust the allowance so as to take care of the inflationary trend; that is what we must understand.

In addition to that, Sir, contrary to the preachings of the hon. member who just sat down, there is a direct benefit to those persons who are now encouraged to take out insurance policies for their children up to the age of 18. I was once a life underwriter and I fully understand what insurance means, and I would like the hon. member for St. Michael North Central to understand that the Prime Minister understands, because he has in his Cabinet an outstanding and one of the country's finest life underwriters sitting with him, and I am sure that he has benefited from the experience of that hon. member. Now, Sir, by allowing, by encouraging allowances on insurance premiums paid for children up to the age of 18, two things will happen, two things will result. One, when the child attains age 18 the child will have a sum of money which could assist him in going forward to further his or her education. We have seen several children who had to leave school and go into the work force because they did not have the funds to continue their education. Now it will be possible for parents to save the money, get the allowance, and provide that much needed capital to assist the child when it attains the age of 18.

Another benefit is this. We know, Sir, it is an established fact that working capital for beginners in business is difficult to come by except you have what is known in Barbados as a godfather, and what the budgetary measures seek to do is to encourage parents to provide through insurance policies money which will be available at age 18 when it is assumed the child will have passed out of secondary school and will be ready to go into business. So if the child at age 18 wishes to go into business money or funds will be available to assist that

child. It will then relieve the parent of the burden of looking for cash at that particular time, so there are definite benefits and advantages of this particular measure, so we must not allow people to cloud our views, our concepts of the whole operation. The Hon. Prime Minister understands quite well at the same time that funds are ploughed into the country and what the budget is seeking to do is to make people understand that they should invest in the country. There is stability, Sir, and I am sure when you look around the country you will see factories going up, people opening new businesses, more and more people being employed, and 1,010 new jobs were created at IDC. This is as a result of the sort of policy which has been generated over the last two and a half years by this Government.

Now, there is no scepticism, people understand that we have had difficult times, though abused, at times slandered, at times rumoured about; we have had to withstand all of this to do the people's business. We have had pressures but those pressures have in no way dampened our enthusiasm.

Now, Sir, on to the school meals. We used to hear about free school meals, but note, Sir, free for ten cents. It seems to me that the Democratic Labour Party, the former administration, did not understand what is meant by the word "free" so that by charging ten cents, that was in their vocabulary cheap but also free, but we never saw it that way. We felt that the idea of free meant that you should not pay one red cent, and accordingly we have taken the stand on this and we are now giving free school meals, no ten cents, and that is what baffles them. The hon. member said that the Government is saving, but he does not understand. If he knows that the Government is saving money, he was a Minister in the former administration, why didn't he tell his Minister of Finance that by taking off the ten cents his Government would have saved? It seems to me, Sir, that it is only now the hon. member or some of them on that side are over there that they can see the wisdom of what is going on in Government.

Mr. SPEAKER: The hon. member has four minutes during which to teach them.

Mr. BRADSHAW: Mr. Speaker, you have to understand that some of them only realised what was going on in Government when we through our enlightened policies have brought it to their attention. They can reason now, but when they were in the Government under their leader, the Minister of Finance, it seems they could not even put forward their views.

As I said before, I would like to go on and on, because I know that my views are the views of the poor man, the man in the street, the man who at long last understands what is meant by fiscal measures, understands

what is meant by a "real real" budget as distinct from the ones which the hon. member for St. John used to produce. He never thought about the bicycle man, he never thought about the poor old woman, he never thought about relieving her of the bus fare, he never thought about the donkey cart owner; none of those people he thought about. He never thought about increasing tax allowances or even increasing the allowance for children.

Sir, this Government ought to be complimented, and I say that we ought to doff our caps to the Rt. Hon. Prime Minister for his efficient manner, despite the interruptions by people who wanted to prevent him from performing his task in this community. I will say, well done Mr. Prime Minister, well done Minister of Finance for your marvelous and able budgetary proposals 1979.

Mr. SPEAKER: The hon. member for Christ Church North Central.
9.25 p.m.

Mr. WARD: Mr. Speaker, the only term that I can think of suitable for describing the Budgetary Proposals delivered by the Minister of Finance yesterday is "exciting". For this entire day, from morning until this evening, wherever I have been people have been moved by the Budgetary Proposals announced yesterday. The incident that took place yesterday when the Prime Minister was assaulted, when we thought that that would have been talked about today it was completely overshadowed by the Budgetary Proposals and no one even seemed to mention it. I have heard many Budgetary Proposals before, but I have never seen a country so excited as today over what was presented yesterday.

We are on the eve of the 1980's. The Government is therefore looking to a new era and also looking to the close of the century, and these proposals are progressive, objective and forward-looking.

Mr. Speaker, I would like to make a few comments on the remarks made by the Leader of the Opposition. Let me preface my remarks by saying that I have a personal regard for the hon. member, but I was somewhat disappointed this evening at his contribution. He mentioned the 1960's eleven times; he talked about "a tinker, a tailor, a soldier, a sailor." He talked about the Archangel Gabriel and about the Archives. In every thing he was looking back, and we are on the eve of the 80's. We are looking to the future and he is talking about the past.

Now, Mr. Speaker, we have to be generous. The hon. member has certain accomplishments to his credit and we will not seek to take that from him. But you cannot live on that. The young generation of Barbados is not looking to see what Sir Grantley Adams did or what the hon. member for St. John did; what they are looking at is what is projected for them in the future. But all we

could hear about was the past, the 1960's and that sort of thing. I am sorry the hon. member is not here because I do not like to say anything behind his back. But these proposals delivered yesterday are progressive and there are a number of things he could have commented on.

Mr. Speaker, let us take housing for example. I do not want to take anything away from the Ministry of Housing, but I do not believe I have ever read or heard a more comprehensive plan to get the entire country interested in housing, as was presented yesterday. It was clearly intimated that housing is such a big project and the cost is so high that the Government cannot carry the load itself and has therefore presented certain proposals that would bring the entire country into this matter — corporation tax for a Housing Department — I take it the construction department of a company the tax will be reduced from 40% to 20% just for that department, as I understand it. This is bound to be an incentive to get people who have money and resources to enter into this field, a field greatly lacking in Barbados because of the high cost of construction. I am therefore looking forward and expecting that the policies set out yesterday will surpass our expectations because it has brought the whole country to focus attention on the matter, and the incentives are there — property taxes, release before during and after construction — as far as I understand, giving the builder the opportunity to put his money into construction instead of being burdened with property taxes at that particular time. This is bound to attract people into the construction business, and the Prime Minister is to be congratulated on this because everyone of us in here knows what it is to be approached by constituents asking for a letter to get a house. People are in great need of housing, but the cost is so great that they must be patient and realise that the Government has a problem. But the proposals yesterday I see as going a long way to solving the housing problems of this country.

There has been a lot of criticism about the price of gasoline, and the way it was mentioned today would give the impression that all of the imposition on gasoline is taxation. This is incorrect. The increase is basically an increase that the OPEC nations have put on oil. United States of America, Great Britain, Germany, Japan — all these countries have focused their attention on energy — gasoline in particular — and we are being told in here about the price of gasoline. The Prime Minister did not say what the price of gasoline is going to be; the Prime Minister spelt out what the price would be according to the laws of Barbados. If hon. members cannot calculate and arrive at the price it is not the Prime Minister's fault. But the point remains that gasoline has to go up; it is a scarce commodity; it is also a very expensive commodity, and therefore the Government has every right to make sure that the price goes up.

Now I want to mention this: It has been suggested that gasoline should be subsidised. Let me deal with this question of subsidising, because there was a suggestion today that the Barbados Labour Party is unsympathetic where subsidies are concerned. But the public transport system of Barbados is so heavily subsidised by the Government that we have not even attempted to tell the people how great it is. There have been 145 new units put into operation since we took over the Government; new bus routes are being run and better buses are in evidence in this country, — and the cost of a bus can in no way be calculated into the rates now being charged. The cost of a new bus is a fantastic figure and therefore anybody who suggests that we are not subsidising does not know what he is talking about. But when it comes to gasoline I am in agreement with the Prime Minister not to subsidise it, and I will tell you why. I do not know how much gasoline is used by the Tourist Industry, but I do not believe that the people of Barbados should subsidise gasoline for the tourists to get the benefit of it. I am Chairman of the Tourist Board and therefore have an interest in the Industry, but I am not going to suggest anything that I believe is not morally right, and I believe that to subsidise gasoline would be to subsidise the visitors to our island. You only have to see them driving up and down in their mini-mokes all day, and to subsidise gasoline would be to subsidise part of the Tourist Industry, and I do not agree with that. If the tourists come to Barbados and enjoy the facilities of this country they have got to contribute, and I see no necessity for a subsidy in this connection. The Prime Minister has said that it will cost Barbados about eight or ten million dollars a year more for gasoline and he has suggested that we conserve energy. This is something we must all adhere to; we must conserve energy so that we do not have any more increase than the eight or ten million dollars.

But there is another side to covering this eight million dollars, and it is productivity. I am not in any way watering down what the Prime Minister said; we have to conserve energy. But if we want the luxuries of life, we have to work for them; and I feel that we can get more tourists into this country to cover that eight million dollars. I feel that this Island has always lived up to its responsibilities, and I feel that productivity should be the hall mark of every company, every organisation, every school and church in this country. We do not speak enough about productivity. If we want a high standard of living, if we want the pleasure and benefits of life we must produce; and if the increased cost of gasoline is eight million dollars we have to do one of two things, or both — we can conserve or we can produce and thereby overcome the difficulties.

9.35 p.m.

Mr. Speaker, I think that the populace of this country should know a lot of problems that Government has to face up to from time to time as external problems

not brought about by ourselves, but thrust upon us; but many of the increases in the prices of raw materials are a result of increased prices overseas which we cannot have any decision on, no matter what we do, it cannot affect a man who is asking for more money for his raw materials; and that is the case with oil. So that we in Barbados have to match that with productivity; and I say this because I want the school teachers and the priests and what have you to get across to the youth, and the adults and all the people, productivity, especially the ages from 20 to 60.

Mr. Speaker, any good socialist society accepts the principle that those who are from 20 to 60 are to do the work. The children up to 20 are our responsibility. The old people and the weak and the infirm over 60 are again our responsibility; but too many people between the ages of 20 and 60 do not want to work and are not concerned with productivity; and I mention this at this stage because when the Minister spoke yesterday about conserving energy I agreed with him whole heartedly but I believe that a lot of people are not really concerned about productivity.

Another interesting point that the Prime Minister raised, Mr. Speaker, was the reduction of consumption tax on certain materials to produce fibre glass boats. The Prime Minister did not elaborate; but in Barbados we could get more out of the seas that surround us. I do not know if hon. members know, Mr. Speaker, but many big countries of the world are fishing in international style although I believe that fishing boats working on in international style belongs to the next century. The point remains that fibre glass boats have come to stay. Also it must be recognised that we cannot depend only on fishing within the close shores of Barbados. We have got to go further out. We have got to launch out four, five miles out of Barbados if we want to get the best out of the fishing industry. It is not just only that people like fish. If people cannot get fish they will buy corned beef and that is foreign exchange over again. You will buy chicken backs, and that is foreign exchange all over again; but when you pay the fishermen the money is circulated in the island. Therefore the Fishing Industry should get maximum support from the Government as the Prime Minister has clearly indicated by introducing certain rates of consumption tax on some commodities so that fibre glass boats can be developed, because bigger and better boats are required.

The last thing I would like to speak about, Mr. Speaker, is the matter which the last member that spoke for the Opposition referred to as the taxation on drinks. Again I would like to emphasise that the quantity of Banks Beer consumed in Barbados is about 20 to 25 per cent of the production consumed by tourists; and therefore I feel that if this is a means that the Government would be able to get some revenue from

outside and some more foreign currency spent in Barbados, this is the place where the taxes should be.

I am not one who believes in killing the goose that lays the golden egg. Tourism has certainly laid a golden egg for us in Barbados, and the country should do everything it can do to keep it going and to make all the gains we can and to be hospitable and courteous to the people that visit us; but the people must contribute to the society; and I think that the tourists accept this. The tourists do not expect to come into Barbados and get the benefit of a good water supply, a good telephone system, a good electric system and what have you, and do not expect to pay for it. Therefore, Mr. Speaker, I do not believe that the Prime Minister was in any way wrong. In fact he was quite correct to put a slight increase on spirits and beer as it were.

Now, Mr. Speaker, I would like to finish with the two utilities, the Electric Company in particular and the Waterworks. The Prime Minister said yesterday afternoon that the objective of the Government was to have water in every home in Barbados. I think that this is a magnificent move. Quite frankly, Mr. Speaker, for a developing country like Barbados we are very much in advance of some of our very much larger and older neighbours in this region; but if you go around Barbados, we are a great way in advance of them; and I do not believe that the situation of people going to the stand pipe to draw water should be with us at the close of this century; and I am completely in agreement with the Prime Minister that we should have water in every house in Barbados.

When it comes to the Electric Company, I myself, Mr. Speaker, get requests over and over again from people who want electricity; and the Prime Minister suggesting that the Government would invest money in the Barbados Light and Power Company so that they can use the money — and he stated where the money could be used in the extension of the electric supply in this country is a master stroke. (*Cheers*).

Mr. WEEKES: Mr. Speaker, I did not intend to speak on the Budgetary proposals, but taking into consideration that it appears to me that all members of the Government will take this opportunity to give themselves full publicity, and owing to the numerical strength of the Opposition, I deem it my duty to comment on a few points which I consider of paramount importance in the interest of the masses.

I am not going into the ramifications of the Budgetary Proposals; but I am from among the masses, and I intend here tonight to speak and to state how I feel it affects the man on the street. I feel, Sir, that I should clear the air on a particular point which has been

mentioned here tonight. It is one which deals with old aged pensioners travelling on buses without having to pay bus fare.

9.45 p.m.

Having served as a Parliamentary Secretary in the Ministry of Communications and Works for five consecutive years or one term, I can state here tonight without any contradiction that all old age pensioners were given permission during my term in office to travel on the buses without payment and by producing their old age pension cards. I can state that the information which I am giving here tonight is authentic, but what has happened is that there is one thing that this Government has done and I have to let you know, and it is that whereas under the former Government we never stipulated the time when they should travel, they had the option to travel when it suits them, what you have proposed has been going on in this Island during the regime of the former Government. I think I have cleared the air with that.

Now, Sir, there is another point which I want to draw to the attention of this House. I have said here on several occasions that 90% of the people in this country do not know anything about the metric system and that is why I feel that in the change over we should deal with the old system and the metric system, and I feel that last night when the Prime Minister gave the information in his Budgetary Proposals that he should tell them in the terms which they could understand, but today throughout my travelling around, people have been telling me that they did not understand anything at all as regards what has been spoken here last night, and therefore I regret very much that he did not instead of using the metric system, deliver his speech to the community and especially for the man in the street to hear and be able to assess the pros and cons of the Budgetary Proposals.

Now let us deal with the school meals. I am indeed happy to hear that parents will not have to pay the ten cents per day, but I want to say that the standard has deteriorated to such an extent that I am very happy to hear that the Government is giving it now free of cost, because I send my child to school and formerly my child would depend on the lunch, but here it is now things have gone so bad that every day my wife assisted by a helper in the home — I am not in a position to employ a maid — has to prepare the child's meals to go to the primary school because I am not in a position to pay to send my child to a private school. I should like to just draw to the attention of the Government that while it is true that the parents now will not have to pay the ten cents for the meal, under your regime you have increased the children's bus fares; you have taken it from 75 cents to \$1.00 and therefore I am asking myself what has the

parent gained. (Hon. C. L. BOLDEN: Twenty-five cents.) I thank the Hon. Minister; they have gained 25 cents.

Now, Sir, in dealing with that matter we must take into consideration the amount of money which it costs the Government to administer the scheme, and therefore it pays big dividends to any Government to stop charging the parents the ten cents, because in the long run it was nothing less than a liability to the Government in receiving the ten cents per day.

Now, Sir, there is one point which I think has to be taken into consideration and it is this: that with beverages, not that they are nutritious, but I find my child asking for one daily to take to school with her, and therefore you can see the increased price for a cool drink. I am just drawing to the attention of the Government how it affects the poor man on the street. I will deal with the other side before I sit down, but I am giving you the negative side, and I will later give you the positive side.

Now when we spoke about the increased price of gasoline, I sat here and listened attentively to the various speakers, and I am going to say now how it affects the man on the street.
9.55 p.m.

You have the artisans who leave the rural areas to go to Bridgetown or to go to other parts of the country and having to pay this big increase it must affect them. You have Civil Servants in the lower brackets who are receiving in many cases \$300 and \$400 a month. They are not paid travelling allowance and therefore it must affect them. You have the clerks living in the rural areas who have to travel to Bridgetown. Some salaries are between say approximately \$500 and \$600. It must affect them. You have Secretaries who are in the \$500 and \$600 bracket. Some of them use cars. It must affect them but let us get to the most important point. You are obligated with this increase of gasoline to increase the fares for taxi owners. You just have to face that as a reality regardless of the subsidisation which has been given to them in the long run. I am going to say it and I am saying it here tonight that they too, in the long run, will demand increases.

Now, Mr. Speaker, I always felt that the price of gasoline would be increased but I for one moment never anticipated that such an increase would have come about and I shall give my reasons. Between 1973 and 1974 when the cost of gas and oil went up approximately 300% and 400% at no time was the increase so big and now with a 10% or 20% increase we have to pay this amount. When I mentioned that I must say that any Government in power must bring about taxation to run the affairs of the country but it depends on how it affects our finances.

Mr. SPEAKER: Let us have some order on the Government Benches, please.

Mr. WEEKES: Mr. Speaker, I, like the hon. member for St. James have always taken into consideration the old age pensioners of this country and therefore when I speak tonight, and if you were to look at Hansard, if you would look back you would see that from the time I entered this House of Assembly I have been speaking on behalf of the old age pensioners (*Cheers*). If I were to say tonight that I am not happy about the increase which has been given to them, I would be straying away from the truth (*Cheers*). I say it is a duty which any Government, and I repeat it is a duty which any Government owes to the old people of this country who have contributed to the economy of this country and who have caused the people of the nigger race, the coloured people, if you want me to say that or if you prefer me to use a different adjective I will use one, black, but after all we are all negroes. (*Asides*). I apologise to the hon. member for Christ Church North Central. I want to say here that I feel that he is still grateful to be here and we appreciate his presence temporarily, hoping he will retain his seat. (*Pause*).

Mr. SPEAKER: The hon. member for St. Philip South, please continue.

Mr. WEEKES: Mr. Speaker, I think the time has come when we in this country, should give careful consideration to all aspects of the matter especially when it comes to taxation and I want to say here tonight that all is not well with the man on the street. The man on the street feels that you are giving him 4 cents in the one hand and you are taking away 5 cents in the other hand. I say the man on the street feels that way and therefore when you come to help him you must do something tangible and something which he would appreciate.

Let us deal with the \$25 per week from the National Insurance Scheme. It is known that the contribution has increased by approximately 100% and therefore when it comes to that increase it is an increase which they deserve and I am happy to know that the Government has taken that matter into consideration and I do hope that the time will come when they will think about even increasing the amount from \$25 to any amount that deems fit.

10.05 p.m.

Mr. Speaker, in speaking on the budgetary proposals here tonight I want to say that only time will tell the results of these proposals which will be felt one way or the other in the very near future.

Mr. SPEAKER: The hon. member has three minutes in which to wind up.

Mr. WEEKES: Thank you, Mr. Speaker. Let us hope that the man on the street will derive the benefits which the Rt. Hon. Prime Minister has intimated to this House during his proposals. If it does not materialise and more hardship is created for the man on the street, some of us not including myself will pay the indemnity.

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

Mr. SIMMONS: Mr. Speaker, it is with some difficulty that I rise to follow my friend and colleague, the hon. member for St. Philip South, who has made such an earthy if at times misguided speech. I shall not attempt to deal with him now, I have more important things to deal with and other speakers will take up some of the points mentioned by the hon. member, but it is also with a sense of satisfaction that I rise to compliment the Government, and in particular the Hon. Prime Minister on the presentation of his 1979 budgetary proposals which I classify as imaginative, progressive and humane.

Mr. Speaker, I will take issue with the Hon. Leader of the Opposition who spoke of largesse and in fact submit that what we have witnessed in these budgetary proposals is a return to the broad masses of the people all the fruits of their endeavours, and we are now seeking to give them some of the benefits which have been occasioned by reason of their sacrifice over the last two and a half years. In some respects, Mr. Speaker, the budget reflects the policy of this party and this Government to honour pledges made in the past. In the general election campaign of 1976 both parties made several pledges. We are the party which is better able to honour those pledges by reason of the fact that we are in Government. It has not been easy in the past two and a half years, indeed in the last two weeks we have seen letters to the Press calling on the Government to do something about taxation, letters written in ignorance of the contents of the budget speeches from 1977 and other speeches in this Hon. House of Assembly, letters which have dealt with economic conditions in Barbados touching on some of the issues relating to the scope of the budgetary proposals yesterday.

In fact, Mr. Speaker, this party has been accused of adopting defensive and repressive measures, and even unnecessary measures. They have been identified as wage restraint, restrictions on consumer credit, a deterioration in social services, and massive taxation. The effects of those have been categorised as an assault on the working class population of this country, the imposition of severe hardships on the community, a reduction in the rate of the true economic growth, a decline in living standards and a reduction in employment opportunities. Those are the basic criticisms over the past two and a half years culminating in two letters of important significance in the

last two weeks. What is the truth, Mr. Speaker? Are those charges substantiated?

I want to take as the starting point the year 1975, which was the year of increased sugar prices which enable the country to have a surplus on its balance of payments and a comparatively healthy foreign reserves position. The Central Bank report in 1975, December 31, for the year ending just before the general elections of 1976, is replete with statements as to how the sections of the economy declined and how the economy as a whole failed to grow in 1975, far less 1974. Indeed unemployment was so high that the Directors of the Central Bank found it necessary to pay particular heed to the question of unemployment, and that is reproduced in the Central Bank report for 1975, two years after the oil crisis started in 1973. 10.15 p.m.

Mr. Speaker, at page 10 of the Central Bank Report we get an insight into what the then Government had planned in order to cope with the economic crisis that was thrust upon us as a result of the oil crisis. I heard by inference rather than by direct challenge this afternoon from the Leader of the Opposition that it was his party which was virtually solely responsible for the restrictions in consumer credit. Mr. Speaker, on page 10 of the Central Bank Report for 1975 there appear these words: "Thirdly, the bank succeeded in having its control extended into the areas of consumer instalment credit and Government has introduced a Hire Purchase Credit Sales and Hire Purchase Control Bill, 1975. The new legislation followed Central Bank's study done in 1973 when the unchecked growth of consumer credit was diverting scarce resources away from the productive sectors of the economy and was exerting undesirable pressure on the island's balance of payments. This legislation enables the Bank to regulate all types of consumer instalment credit whatever the source, when such control is warranted by domestic economic conditions." It is clear therefore, Mr. Speaker, that from 1975 when the legislation was passed the then Government had it in mind to introduce legislation aimed at curtailing and restricting domestic consumer imports. Indeed, in his review of the economy for 1976, the present Leader of the Opposition as the then Prime Minister said these words found on page 7: "The Hire Purchase Credit Sales and Hire Control Act, 1975 took effect from May 20, 1976. Under this legislation the Central Bank will be able to exercise powers under my direction to control credit extended by any establishment in this island by way of hire purchase credit sales." And he said as a preface to that: "Government intends to take firm action to ensure that private consumption expenditure is not increased at the expense of savings and investments." So that the invective, the misconstruction that was placed on the Government's willingness and courage to take firm decisions in 1976 and 1977 was misplaced, because it is clear that these measures were

under contemplation by the Democratic Labour Party in 1975, but the Party obviously did not have the courage immediately prior to a General Election to carry out the decision although they recognised that it was necessary. Never have they told the people of this country that it was their intention to enact legislation to control hire purchase. We have had to carry the blame for the restrictions which were placed on consumer items in 1977, but we took these decisions in the knowledge that what we were doing was in the long term interest of this country and not for short term political gain. The allegation has been made that the country's economy has not grown, and yet the Economic Report for 1977, the Report which was laid last year, has shown that the rate of growth of the Barbados economy in 1977 was in fact comparable to the rate of growth in very developed economies such as Germany and Japan. It appears that this year there has again been a favourable growth of at least 3%, whereas for not less than three Budgets prior to the General Election of 1976 the then Prime Minister could only report that the economy had made little or no progress. Such has not been the state of Barbados in the last two years.

Mr. Speaker, I want to adopt an approach to the Budgetary Proposals slightly different from that so far adopted by previous speakers. We promised the country that we would be efficient managers of the country's finances and economy. I believe that we have shown beyond contradiction that we have lived up to that pledge. We have been in fact good housekeepers, but we have been good housekeepers because of the collective wisdom, if I may say so without boasting, of all of us, and I want to look outside and inside the House of the Government, and the house of the Barbados Labour Party, to give an insight into how we run things; to show, for example, that all roads do not lead to St. Thomas in this Government, of if they do, the hon. member for St. Thomas is not the author of everything that may appear in the Budget. This is not any derogation of what has been put forward in the Budget by the Hon. Prime Minister and it certainly is not meant to take away from the greatness of his presentation. But what I wish to get across is that whereas it appears — as has struck us from time to time in the debates in this House — that members of the other side when in Government were unable to twist the arm of the then Prime Minister to get any of their ideas across in terms of action, to get them to jell or fertilise, as is so clearly evident from what the hon. member for St. Philip South had to say about pensions tonight; unlike them, I believe that this country now has a receptive Prime Minister who, in the tradition of his father, is willing to listen to all shades of opinion from people in all walks of life, and having weighed the opinions determine what in his ultimate judgment as Minister of Finance is in the best interest of the country. Now the hon. member for St. Philip South — and I hate to disagree with him as he is such a pleasant person —

gave the impression that old age pensioners have always been travelling free on the buses. If he wants to be technical; that may be so; but he said he considered it his duty to let us know what the position was. In so much as he has gone so far, I have to make it clear that I consider it my duty to deal with this question of pensioners travelling free on the buses.

On the 26th September last year I said in this House of Assembly: "As I understand it, at the moment there is one category of pensioner who can ride free on the Transport Board buses but the other category has to pay. I am not sure whether the National Insurance pensioners travel free or the Old Age Pensioners, but it seems to me that in the wake of an improved economy as enunciated by the Prime Minister it would be a worthwhile gesture to standardise the system and let all pensioners ride free so long as the country's finances can sustain this. And I am calling on the Government when it sees itself in a financial position to do so and I hope that it will be soon rather than later. I do hope they will standardise the positions on buses with respect to pensioners."

10.25 p.m.

Mr. Speaker, what I will now draw to the attention of the House is that the National Insurance Pensioners were still having to pay while the old aged pensioners were able to ride free; and it seems to me to be a bit of discrimination against these people who have great burdens to carry and what even they were getting as pensions at the time. So that it is not only the former Government which may have done something for the old aged pensioners, but it is within the contemplation of this Government; and you may recall, Mr. Speaker, that the Prime Minister in reply to what I said on the 26th of September last year gave notice that something would soon be done. He chose yesterday as the date, and on behalf of the pensioners of this island I want to compliment the Prime Minister for heeding the call which was made in September, 1978.

That illustrates, Mr. Speaker, the ability of the Prime Minister to receive ideas from members of the back bench. But that is not the only area which is reflected in the Budget. Mr. Speaker, you will recall and indeed perhaps the whole country will recall that in his speech on the Appropriation Bill of this year, the hon. member for Christ Church East, having regard to the apparent buoyancy in the economy, asked the Prime Minister to channel some of the surpluses into greater electrification of houses in this country. He also called for an extension of the water services to each and every home in this country.

Mr. Speaker, I am not saying that it is in recognition of that; but at least the call came from within this party, even from the back bench. The answer to the call was delivered yesterday afternoon, in a promise to

have electrification and full water supply to every home completed by 1980. Similarly for housing development. I know that the hon. Minister of Housing will follow me at some stage in this debate, and I will not tarry on these things. I think it is sufficient for me to have given the House an insight into how the house of the Barbados Labour Party is run; and the air of openness that prevails in the Barbados Labour Party, including the openness that is evident even by this broadcast tonight, Mr. Speaker.

Mr. Speaker, other members have paid compliments to various aspects of the Budgetary Proposals. It will be tedious for me to enumerate them but I wish to thank the Prime Minister for the easing of the burden of taxation at almost every level in the society. I wish to compliment him on the increase to the pensioners of this country; and it must not be forgotten that it was this Government which reduced the age from 68 to 65, and thereby brought along a further 3,000 pensioners on the roll. The Government must be complimented for the removal of the 10 cents on school meals and the removal of the charges for bicycle licences and indeed for imposing a sliding scale for land taxation, I believe from 1980.

Mr. Speaker, I wish now to examine critically, rather than just showering praise, some aspects of the Budgetary Proposals. I believe, Mr. Speaker, that there has been an under emphasis on Agriculture in the Budgetary Proposals. I believe that Agriculture needs a stimulus if we are to feed ourselves properly and if we are to maintain reasonable surpluses on balance of payments; but apart from the incentive for fishing for those who are likely to build fibre glass boats, I find that the Budgetary proposals are somewhat deficient in incentives and stimuli for Agriculture.

I do not want to be completely negative in my criticisms, Mr. Speaker. I would like to make some suggestions, not only about Agriculture, but other areas where I believe assistance could be given and, perhaps, given if not later this year, certainly in the future or in future Budgetary Proposals. I believe, Mr. Speaker, that there is need for agricultural incentives on heavy equipment, especially things like tractors. I believe that in the dairy industry, having regard to the fact that the cost of producing a pound of milk is 42 cents today, there should be some concession given to persons who are raising heifers, for example.

In these ways I believe we could positively induce the agricultural sector to do more for itself and for the country. For what it is worth, Mr. Speaker, I have been worried about it for a long time; and I must confess that I have no expert assistance or input on this; but I note that the price of cane, the price paid for sugar, is the same irrespective of the district in the island where cane

is grown. Put in another way, Mr. Speaker, cane grown in the low rainfall areas, attracts the same price as cane produced in the high rainfall areas, although I believe that the sucrose content, as they call it, of cane coming from the low rainfall areas is somewhat higher than that coming from the high rainfall areas; and I wonder if something could not be done — whether it is possible or not, whether it would have overtones, industrial or otherwise, or problems to the sugar producers — I wonder if this could not be looked at. That is what I would like to ask the Government at this stage. Look at the disparity between the price of cane produced in the low rainfall areas and cane produced in the high rainfall areas.

Similarly, Sir, in respect of peasant farmers' canes. I believe that something should be done to encourage peasant cane farmers by way of some financial incentive. Now, Mr. Speaker the employment levy which has been classified as a failure by the Hon. Leader of the Opposition, but has been shown otherwise by the figures produced by the Hon. Prime Minister yesterday afternoon — I think that the employment levy is bearing heavily on the agricultural sector; and indeed if there is any need for revision of the employment levy in the future, I would certainly like to see the Prime Minister look at the area of Agriculture, because we have to remember that employment in the agricultural industry is not always constant in volume. It fluctuates.

10.35 p.m.

You get a whole set of people in the crop time and then they go into what is called hard time and people go back to other jobs. It is very difficult to measure the constancy, if that is a word, of employment in the agricultural industry, and as I said, I believe in a way it is pressing hard on the agricultural sector, and if you are going to accept the principle of stimulating the agricultural sector, then I think this is an area that perhaps some attention should be paid to by the planners in the Ministry of Finance and Planning.

Mr. SPEAKER: The hon. member has just four minutes in which to wind up.

Mr. SIMMONS: I will get through, Sir.

Mr. Speaker, on the radio about two weeks ago I heard certain criteria which were enunciated by the hon. member for St. Michael South East in respect of small businesses. I believe, Mr. Speaker, that if we are going to have criteria saying what a small business is, and if we are going to encourage the growth of small businesses, and if the Prime Minister seems to have his mind on some tax

concessions, I would suggest, Mr. Speaker, that where a small business is formed into a corporate body, that business should be exempt from the payment of taxes for three years after incorporation to enable it to grow and expand, to enable it to employ people without some of the overheads which other established businesses have to carry. I think that may be a means of encouraging small businesses in this country.

Nothing has been said on the role of the Barbados National Bank, Mr. Speaker, It is undoubted that the Barbados National Bank is making a positive and significant contribution to the economic life in this country. I would hope though that a branch of the Barbados National Bank is planned for the St. James or even the Speightstown area, Mr. Speaker, but particularly Hometown. I believe, Mr. Speaker, that there is much money to be made in an area like Hometown which is heavily populated by tourists; much money can be made by providing exchange facilities.

Mr. Speaker, I said at the beginning that this was an innovative and imaginative Budget; no one can quarrel when one looks at the scheme of national savings certificates and the saving loans scheme, promotion of a secondary mortgage market designed not only to allow a greater spread of money at a certain level, but also to encourage and to promote the concept of home ownership to which this party is committed. Mr. Speaker, there are applications before me now in respect of houses in the range of \$20,000 at Wotton. There would be just over 100 units up there, wood and wall, and I have 402 applications. There is a demand by the people in this country to own their own homes and we have got to understand as a people, as a former colonial people that the only way we are going to own our own properties is if we decided to own them on the never never; that is essentially what the mortgage scheme is. They would go and buy a fridge from one of the stores in town and pay so much a month to own it, and we have got to get it in the heads of the people of this country that it is their right to own their homes. The Government will give the necessary stimulus by providing the mortgage money and schemes, and I ask for the response of the people to become attuned to the concept of mortgage. It is one of the big problems that I had at the National Housing Corporation when I took over, and I found there were people in the Friendship Terrace area who did not want to go to the Mortgage Finance Company. They never understood the concept. We have got to help our people develop, and Mr. Speaker, I believe this Government has shown great wisdom and foresight in the measures introduced yesterday.

Finally, Mr. Speaker, I have no quarrel with the water rates. During the Estimates debates while I was Chairman of Committees, it was the hon. member for St. Michael South West who drew it to the attention of the

House, and to the great dismay and consternation of the hon. member for St. Michael South, that it was he, the hon. member for St. Michael South who had saddled this country with an increase in the water rates.....

Mr. TAITT: On a point of order...

Mr. SPEAKER: The hon. member must not be interrupted. You will have your opportunity to speak. Take your seat. Please don't spoil it. Take your seat, I beg you. I am begging the hon. member to take his seat. *(Asides)* We must have order in this Honourable House. The hon. member has one minute to wind up.

Mr. SIMMONS: Mr. Speaker, I was saying that the water rates have been increased in this country, not because of this Government, and I remember it vividly sitting in the Chair then, and the Minister of Communications and Works could give chapter and verse when he comes to address the House.

Mr. TAITT: On a point of order, Mr. Speaker.....

Mr. SPEAKER: The hon. member for St. Michael South West will not be heard on a point of order. You can move a motion of censure against the Chair. You will not be heard on a point of order at this stage.

Mr. TAITT: Time will tell.

Mr. SPEAKER: Time will tell is a threat to the Chair.

Mr. SIMMONS: Mr. Speaker, I just want to wind up on the point of energy. The hon. member for St. Michael North Central mentioned that nothing had been done in the Budget about energy. That is because the hon. member for St. Michael North Central was only concentrating on this year's budget, and he forgets that I have done research. In the Budget of 1977, the first Budget, this Government put priority emphasis on energy and gave tax relief to the companies in Barbados for using solar systems. There is no new sudden ad hoc policy on energy, and in the Estimates for this year there was provision for oil and gas exploration.

Mr. SPEAKER: The hon. member must now conclude.

Mr. SIMMONS: I am indebted to Your Honour.

Hon. H. B. St. JOHN: Mr. Speaker, that concludes tonight's and today's allocation of time to the Budgetary debate, but in order to implement one of the provisions set out in the Budget it is necessary for us to ask the leave of the House now that the Item "Government Notices" be taken so that notice can be given and so that we can have it circulated.

Mr. SPEAKER: The Hon. Leader of the House is seeking the leave of the House to give notice of one Bill which is a consequential matter arising out of the Budget. I can hardly think there could be any objection.
10.45 p.m.

Mr. TAITT: Mr. Speaker, Sir, given what I have come to understand in the last few minutes I wish to let Your Honour know that I object to it.

Rt. Hon. J. M. G. M. ADAMS: The hon. member could further move that notice be given. The Standing Orders have been suspended, Sir. Government can fix its business in any order during the Suspension of the Standing Orders. It is a Budget Notice.

Mr. SPEAKER: I consider that leave is given to introduce this matter. You may proceed with the Bill.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, arising out of the Budget I beg to give notice of a Bill to amend the Land Development and Duty Act in order to remove the provision relating to the Betterment Charge.

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

FIRST READING OF BILL

Rt. Hon. J. M. G. M. ADAMS: I beg to move that the Bill entitled the Land Development Duty (Amendment) Act, 1979 be now read the first time.

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

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

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, Sir, I beg to move that this Sitting be now suspended until tomorrow at noon, Sir.

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

Mr. SPEAKER: This Sitting stands suspended until 12 o'clock tomorrow at noon.
10.55 p.m.

On Resumption

Mr. SPEAKER: This sitting is now resumed.

The hon. member for St. George North.

Mr. ODLE: Mr. Speaker, the Financial Statement and Budgetary Proposals made by the Prime Minister and Minister of Finance have received the greatest acclaim by people throughout the length and breadth of

this Island. My own experience has been that wherever people meet, around the corners or in the shops, in their drawing rooms, they are all saying "well done, Mr. Prime Minister, you have not disappointed us".

I have heard from the Opposition so far in this debate no constructive criticism of any of the proposals which the Hon. Prime Minister saw fit to bring about in his proposals. I must confess, Mr. Speaker, that the people of Barbados are a truly wonderful people because in spite of whatever political bias they may have they are all prepared to give Jack his jacket, and I myself have been very much heartened when I heard coming from the mouths of people who are D.L.Pites "the boys have been doing a good thing", and I felt rather happy to hear coming from a very old lady the remark "this man is doing so much for us and yet they would have us to hate him." I should hope that the people as they have demonstrated have been able to see honesty and sincerity in our leader, the strength, courage and determination of the members of this Barbados Labour Party to represent them.

In our campaign in 1976 we did not promise them pie in the sky, we did not promise to destroy and rebuild overnight; we promised them simply that we would use whatever resources that are available to the hilt for the betterment of the people of this country so that they would enjoy a better quality of life and that they will progressively become better-off. We did not embark on any eye-catching programme or sending trucks over the island in crash programmes. We said let us plan and work for the long time good of the country. I believe it was somewhere in the foreword of the manifesto of the Barbados Labour Party that the Prime Minister said to the people that we are at the crossroads; if you go that way you will most likely run into ruin, but if you choose the other way which is the way of the Barbados Labour Party, we promise to lead you on to success and greater success. I am confident as I stand here before you, Mr. Speaker, that the confidence which the people placed in us in 1976 has been truly justified even from those who were not with us.

Now, Mr. Speaker, in terms of the proposals of the budget and how they affect people, I want first to go on to join with my colleague from St. Philip North who made a very sterling plea for the business community, the small businessman. I will not say again what he has said, I just want to register that I approve of what he has said. They also are my sentiments, but I should like also Mr. Speaker, to make probably one important addition, and I refer to the small businessman who owns a motor lorry, who is an independent worker, he works for himself and depends on his little truck to earn his living and support his family. Although some relief has been granted to lorry owners

or operators thereof, I feel a special case can be made out for this kind of work, this type of businessman, bearing in mind the fact that the price of spare parts are very high, tyres have gone up to an astronomical figure and the actual repairs and upkeep of the trucks have risen, but these are people whose work is mainly concerned in carrying the harvested canes to the factories during the crop time. During the crop they are fairly busy, but outside the crop they suffer because much of the money they earn and put aside they have to return and pay in terms of repairs, for truck accessories and so on. Some of them are in the higher age group. I can think in terms immediately, and I am sure not only in St. George where I live but also in St. Peter, you will find these people, men like Boysie Rowe and Bay Nurse whom I am sure the hon. member for St. George South would know, who find it very difficult outside of the crop to keep their motor trucks in order. They provide a very valuable service to this community, and if you were to consider the fact that the damage which they can do to the roads is far less than the damage which is being done by the larger vehicles, I believe a case can be made out for relief for this group of businessmen somehow and somewhere, and I would ask the Minister of Finance to use his expertise where possible to see if he can find an avenue to bring relief to these people.

I also must comment, Mr. Speaker, on the provision for married couples. I noticed from the Budgetary Proposals that there are significant benefits to married couples. This is very much to be applauded, but I also am aware, Mr. Speaker, of the fact and I am sure, Mr. Speaker, that hon. members of this Chamber will agree with me that for a young couple getting married is faced in the year in which they are married with a heavy expenditure in terms of setting up a new life, a new home, and I would suggest respectfully that the Minister of Finance give some little further consideration to making an allowance of, I would suggest, about \$3,000 more deductible on which they would have to pay less income tax.

I am told, Mr. Speaker, that marriage is becoming out of date and out of fashion. I do not subscribe to that and would have to hear it from the Lord Bishop himself. But I believe, Mr. Speaker, it is a situation in which you can bring some great benefit to the people who are directly involved. I am hearing that there may be problems arising as to which marriage should benefit from this type of allowance, whether it is the first, the second or the third. However, these are minor problems. The basis is that in view of the extra expenditure involved, it would in my view be a good thing if we could find a way of easing the burden on those young people who set out on this journey.

From the proposals, Mr. Speaker there is obviously going to be some great activity in the economy of this island. I noticed and I am happy about this that it is the plan and the decision of the Government of this country to see to it that the entire island is electrified and that there is electricity in every district in the island, and that the same thing applies to water. I have no doubt that it will apply to roads. You can imagine, Mr. Speaker, how happy I am for my constituents in the parish of St. George when I can go happily to the people in Jordans, in Belair, to the people in Rock Hall and Thorpes Cottage, in Roach Village and in Paradise. I have in the St. George district the most romantic names you can think of and some of them are so badly served with these amenities, and now that I can tell them with all assurance that our Prime Minister through his wisdom, through the capable manner in which he has been guiding this country, they would not have to wait much longer before he brings these amenities to them.

12.15 p.m.

I am sure, Mr. Speaker, that those in the Glebe who were not as fortunate as us and who like ourselves need those services will benefit too, and finally, Sir, I must confess that I would like for St. George to come first in these matters so that we can work hand in hand. I look forward, Sir, to an early commencement in the development of the Glebe, St. George. This will improve the quality of life for those people. It would provide better housing facilities and better health facilities.

I am ashamed and will not on the Floor of this House tell to my colleagues or let you know, Mr. Speaker, the state of affairs that exist even today in that area. However, I am happy to know that it will not be long before that comes to pass and as you will understand, you must be surprised about this. Even now there are individuals moving around in the area, especially in the Glebe, who want to tell the people they must not move, why, of course, they must be political activists of some sort who are hopeful of may be seeking election to this House of Assembly. That is their business. They are hoping because a few of the houses will have to be resited to stir up trouble and prevent the march of progress.

Just as we have seen, Mr. Speaker, today despite the problems which this Government has faced over the years since it has been in power, in two and a half years in spite of all the difficulties we have been able to arrive at a point in time when the whole country can look on and say, "well done, Mr. Prime Minister." Look at the old aged pensioners. Imagine, Sir, what great relief it will be to have their pensions increased. This is something which this party, this Government has

promised and I am happy that in the short space of two and a half years significant gains could have been made, gains that have been attributed to those who led this country and those who advise. I am sure therefore that we will all have to agree and appreciate the fact that the people themselves must share in the praise for the manner in which they behave.

Again, in spite of the destructive elements in our society they have shown steadfastness and stability which I believe is unequal in any part of the world. Mr. Speaker, I just had the good fortune of making a trip abroad. It took me to two countries and I was able to meet people from several other countries and all to whom I have spoken, some of these people having been to Barbados, some of these people have never been there but have only heard of it from their friends who have visited and everyone with one accord with the refrain "Barbados is a special place." I would not attribute that only to the activities of this present Government. I could not. Certainly successive Governments have done much to project a favourable image of Barbados abroad. However, you look at it, Mr. Speaker, we must again congratulate the people of Barbados who have made it possible and I am sure that if in the years ahead that they display the same confidence in us, the same willingness to co-operate we will stand out, not only in this region but in the wide world as a worthy country and that is what I want for this country. We will not be able to do it overnight, only patience, Mr. Speaker, and we will be able to accomplish it.

I have mentioned, Mr. Speaker, some of the measures which have been brought in the Budget today but there are others, all of which I have been looking through and I believe, Mr. Speaker, there are some 36 or 40 measures and everyone of them must have been very well thought out, very carefully analysed because again there can be no justification for criticism of any of them. I am, Mr. Speaker, in conclusion proud to be a part of this machinery of this Government and my hope is that it may long last with us to serve this country and its people. I thank you.

Mr. SPEAKER: The hon. member for St. Michael North West has caught my eye.

Mr. ALLEYNE: Mr. Speaker, this is an important Debate. It is, I believe, a debate which will drive home to the Barbadian public once and for all that one of the greatest political issues in this country and indeed in any country must be the management of the national economy and I want to say that the question of managing the national economy that this present Government deserves full marks. There can be no question about it.

The policies of the Barbados Labour Party, Mr. Speaker, have been consistent on the question of management of the economy of this country. When the Barbados Labour Party came into power, the economy was in dire straits. Even during the campaign, non-supporters of the Democratic Labour Party were saying that whoever won the Government is going to have a difficult time putting things right. That was being said in August and early September 1976. At that time people thought that it was a daunting prospect to recognise correctly and properly that the country was in trouble and that is why they turned to the Barbados Labour Party. Now, Mr. Speaker, they turned to the Barbados Labour Party out of hope. They hoped that the Barbados Labour Party would have corrected the problems which had emerged and I think that the public did not pay close attention to the enunciation of party policies in this Chamber as far back as 1973 because, Mr. Speaker, if one examines the records of the speeches made by hon. members of the Barbados Labour Party at that time, one would clearly see that even in Opposition the present Government had correctly and properly observed what the position was, had made an accurate diagnosis and had actually spelt out on the Floor of this Honourable Chamber what the remedies ought to have been.

So that, Mr. Speaker, because it is now clear to me and I think it is clear to the vast majority of Barbadians that these policies should have been implemented over the past two and a half years and should have borne fruit are not in fact flash in the pan policies but they are constructive, well thought out and well instituted policies. The present Opposition, Mr. Speaker, is not excused for not having corrected the difficulties in the economy at an earlier stage. No excuse whatsoever.

12.25 p.m.

I want to refer to a debate in this Hon. Chamber on the 13th November, 1973 — as far ago as that time — when the then Opposition tabled a no-confidence motion against the past Government. At pages 2856 and 2857, Mr. Speaker, one reads the prophetic words of the hon. member who is now the present Attorney General in which he pointed out that the economy was in trouble, that the economy was slipping into difficult times, and he went on to ask the then Government to take those measures which he thought would have remedied the position. I want to read from page 2857 because I think it is important that the public memory be jogged on these matters. This is what the present Attorney General said at the time:

"I do not believe that the Minister of Finance — either the substantive Minister or the

Acting Minister — has yet grappled with the monetary policy here.”

This was said in 1973.

“Merely raising interest rates is only one-eight of the solution to the problem.”

Mr. Speaker, here these very important words as long ago as 1973.

“We should start looking at consumer spending; looking at the controls we might put on consumer spending. I was not making a political speech to gain a few votes, I was seriously concerned at the fact that we were giving no direction to the remaining capital in Barbados, so that the money is being siphoned into consumer durables to keep up the Japanese, to keep up the Germans, but we were doing nothing at all to siphon it into the productive segment of our own economy.”

As long ago as 1973....

Mr. SPEAKER: Give us the date of the Hansard and the page.

Mr. ALLEYNE: Mr. Speaker, the date which I gave a moment ago is 13th November, 1973, page 2857. As long ago as six years ago the present Government had diagnosed the problem and was prescribing the remedy, the difficulty then was that we did not yet have our hands on the reins of power so that we could have corrected the situation.

Here again the words of the present Attorney General:

“The Government has failed in this respect. When I called for it they said it would not be palatable politically to do this. If you do it in your mid-term...” he warned them, Mr. Speaker, “...you will not have an opportunity to do it at all next term.”

Those were the important words of wisdom delivered by the Hon. Attorney General at that time warning the then Government that the economy was slipping into trouble and that if immediate action was not then taken the then Government would have no opportunity to correct it in the next term. As you well know, Mr. Speaker, those words proved to be only too correct, and it was left to this administration to try and sort out the mess, and I believe that the message of the three budgets which have been presented by the Hon. Prime Minister suggests that we have correctly and properly sorted out the mess.

Let me go on, Mr. Speaker, because I think it is important to get this thing in true perspective. The Hon. Attorney General then said these words: “Let history judge that today in Barbados you are not using the right fiscal and monetary methods to correct the economy.” This is what he said in 1973. “You are going to end with a shortfall again unless you are rescued by higher prices for sugar. You will be budgeting for a deficit and you will have to do what you are doing now, cutting back tremendously on public spending, and regretfully the Government has also had to cut back on its welfare policies. It does not take any genius to see this.”

Now, Mr. Speaker, that to my mind is the most damaging indictment on the previous administration, that in questions of handling the economy they have failed miserably, and what is more, members on this side then in Opposition had specifically pointed out the problems to them, had called upon them to take the unpalatable but necessary political measures to sort the mess out. It was not done at the time. I think it is significant, Mr. Speaker, to recall that at the time of that debate, if I am not mistaken, the then Minister of Finance was not in the country and that is why the speaker adverted then to the question of the Acting Minister of Finance.

That was the position in 1973 and it is significant that at long last, in the budget debate of 1976, the then Finance Minister appears to have recognised the importance of pruning consumption spending; that is to say, of adopting the same measures which the then Opposition, the present Government, was advocating. If one looks at the budget debate in 1976 reported in Hansard on the 30th July of that year at page 7065 — and that is the last budget speech of the Rt. Hon. Leader of the Opposition — this is what he said:

“The task facing the Government, however, is a challenging and indeed a daunting one.”

That is what he said in his last budget speech on the 30th July, 1976. That is the position which we found when we came into power, a task which was at once challenging, and according to the words of the present Leader of the Opposition, indeed a daunting one. And he goes on:

“There can be absolutely no room for complacency.”

Mr. Speaker, he goes on to say that the situation, in particular the level of international reserves, will need to be watched carefully so as to apply appropriate remedial action should the need arise. In the context of that statement we have had in the last two years criticism by members of the other side of the vital fiscal measures taken by the Rt. Hon. Minister of Finance in order to correct this situation.

The country has to be reminded that the kind of good and proper budget which we have today in 1979 could only have been implemented by the wise fiscal policies taken by this Government once we had assumed the reins of power, and were it not for that quick and effective action the position today might have been very much worse. I will continue to read from this paragraph in the budget debate of 1976, because you see one has got to put in perspective the criticism by the Opposition of the pruning of consumption spending which was implemented early in 1977. This is what the present Leader of the Opposition said as he was about to leave the corridors of power:

"Consumption spending in all forms will have to be severely pruned."

Mr. Speaker, one can now understand the shallow, empty criticism of the restrictions placed on consumer imports, because in his last days as Minister of Finance the present Leader of the Opposition had recognised that consumption spending in all forms, including cars, fridges, stoves, would have to be severely pruned. That was the position Mr. Speaker. I stress this point because it is my submission that management of the economy is now and must now be the number one political issue in Barbados, because in my submission there can be no real improvement unless you have proper and efficient management of the economy. What do we find? We find a Minister of Finance assuming office on the 2nd September, faced with this challenging and daunting situation, applying the correct fiscal measures about which he had spoken and about which his colleagues had spoken in Opposition. He was severely criticised for it, the Government was under attack by members of the Opposition, some members of the public I dare say misunderstood the reason for the application of these measures, but I think that in 1979, today, the public can now recognise that the remedy was correct, that it was properly administered and that the results are now being seen.

12.35 p.m.

I want to say this, Mr. Speaker, that the present Government recognised that the restrictions on consumer spending would have been unpopular; they recognised that it would have been politically unpalatable; nevertheless in furtherance of the pledge to put Barbados first, the Barbados Labour Party did what was vitally necessary in the interest of the economy and did not go for short term political gain. I think it is right to trace the history of this matter because there is always a chance that distortion and misrepresentation may cause members of the public not to understand the true posi-

tion. But the achievements of the Government are not to be underplayed.

In the face of the assumption of power in these difficult times what do we find? We find a Government coming into power at a difficult time and almost its first act is to reduce taxation.....the sales tax went, the trade tax went. We also found — I do not know if many people remember this — that the Minister of Finance remitted certain of the land tax arrears due under the old system. But what do we find in the 1979 Budget? We find another tax going — the Betterment Levy. And I would like to thank the Prime Minister for having acceded to the many requests — certainly from the Cave Hill area and I believe from the East Coast Road area. But the significance of the repeal of these taxes is that in spite of the difficult position the Minister of Finance through his skillful management of the economy has found it possible to reduce taxation and abolish certain specific taxes and we find something of absolutely crucial importance, of crucial importance because it calls for an examination of the three Budgets so far delivered.

Now one of the vital aspects of the present situation in terms of what is happening in the world is the rise in the cost of petroleum products. Perhaps it has not dawned on many of us that the Prime Minister has also reduced taxation on kerosene oil. This is vital, because faced with a situation where serious measures had to be taken to prune consumer spending we find that the Prime Minister has his head in the right place. He is concerned particularly about the small man; because if one looks at the Budget Speech of 1977 at page 20 one finds: "With kerosene a slightly different situation exists as this represents the basic cooking fuel for the lower income groups in this country." The Prime Minister recognised the difficulties facing the small man in respect of the use of kerosene, and he said: "I therefore propose to grant a small increase in price but to reduce the Government tax on kerosene by 2 cents a gallon." That was a significant reduction at a time when the economy was in dire straits. And if one examines the Budgetary Proposals for 1978, one finds at page 46 of the printed copy that again the Prime Minister returns to this problem and says: "I do not intend to increase taxation on diesel fuel or kerosene." The same is true at page 41 of the present Budgetary Proposals: "No increase in the tax on kerosene is proposed." The point I am trying to make is that even in the most difficult economic circumstances the Barbados Labour Party has been concerned about the small man. The tax credit was instituted, there was a reduction in the tax on kerosene, and there has not been any increase in the tax on kerosene since this administration took office — in fact there has been a reduction. I mention this because it is important to remember that this 1979 Budget represents the first real fruits of the stringent economic measures which

had to be taken. But even as far ago as 1977, from the time we took office, the Government in its wisdom was concerned about trying to alleviate the problems of the lower income groups. I think in this connection that the 1979 Budget is a clear example of this Party's commitment to dealing with a proper redistribution of incomes in this country and coming to grips with the problems of the small man. The amendments to the tax rates will help most of those who are at the bottom of the economic scale. This Party, as I understand it, has got the correct policies. It is concerned about increasing employment at home, increasing exports abroad and trying to ensure as far as possible that the benefits of the past two years are shared with the vast majority of people as soon as it is economically feasible and wise to do so.

I would just like, Mr. Speaker, to add a word of encouragement. I believe that in the context of this policy of generating foreign exchange and keeping our imports down we need to proceed little more urgently with the Manifesto promise of introducing the tax haven. This to my mind is an important adjunct to the general financial policies of the Government. We need to get those foreign dollars into this country, and in the context of getting them here I think we also need to get some more of those white collars jobs.

I wish to congratulate the Prime Minister on his far-sightedness in implementing what we call the Employment Levy. I myself have never liked the name Employment Levy; to my mind the name is misleading. I prefer to think of it as an Employment Incentive Act, and the results of that Act have demonstrated clearly that this Government was wise and right to implement that piece of legislation, because we now have cast-iron proof that employment has increased since the Barbados Labour Party took office; there can be no doubt about it. Whatever may be questionable about the statistics, we now have an instrument for judging precisely that employment has improved; and if the Government can increase employment to the extent of 1,561 jobs so far counted — and I am reminded that all the returns have not yet been analysed — that Government deserves the highest commendation.

12.45 p.m.

I want to urge the Government to keep on the right path in its policies. Some of them have to do with unpopular measures; but the Government has to explain its policies because in the long run, once the policies are correct, they will bear fruit. I want, Mr. Speaker, to sit down on a particularly personal note. The people in St. Michael North West have spoken to me about the Budget; and some of them are astonished at the level of the taxation relief given. They did not believe, much as they hoped, that it could have been done, and that constituency is not a strong hold of the Barbados Labour

Party. They were asking how did we manage to do it? One person went to the extent of saying that too much had been given because he recognised the difficult times ahead.

I told him that the Hon. Minister of Finance had to keep a little change in his fog pocket if things went wrong. I am sure that this country can stand firmly behind the Barbados Labour Party, and particularly the Minister of Finance for the way in which he has managed the economy over the last two and a half years, and can rest assured that whatever difficulties there are ahead, that the present Minister with his colleagues will put their heads, hearts and minds together and overcome those difficulties. I would like, Mr. Speaker, that when we return here for the Budget Debate of 1980 that we will see even greater relief given to the masses of the country.

I would like, for example, Mr. Speaker, for more consideration to be given to further incentives for those people who are entrepreneurs, the kind of persons who are prepared to get involved in business to open factories, to get involved in manufacturing and that kind of thing. I would like to think, for example, that we recognise clearly that there is a fair degree of risk in starting new enterprises, and that we give serious consideration to what obtains in some other countries, that is to say, taxation relief for groups of companies so that those who want to get involved in new ventures will feel that they can safely risk their capital, knowing that they can offset losses in one sector against profits in another.

I am very happy to see that the Government has recognised the problem of the bonus shares and the significance which these have for the expansion and reinvestment in companies. I am happy that it has been tacked on to the question of giving workers a stake in the particular companies in which they are employed. I think that it is an important social measure, Mr. Speaker, because it gives workers a chance to have a stake in the company, and it has wider social implications. It helps to get rid of the situation where large companies are kept in two or three, or four, five or six hands. I think that it is an important measure, and I look forward to the measures which will be taken to further encourage these companies to widen their shareholding. I believe that it is one of the great measures in this Budget although it has not been particularly spelt out at this stage. It will call for some thought.

I think that it is important if we are to get the stock exchange working; because we need a fair amount of holders of stock in order to make sure that the stock exchange works; and employees in a number of companies who hold stock may well feel that with the operating of the stock exchange will encourage the large companies to invest their ownership; and the wealth of Barbados will be redistributed in a meaningful way.

I have, Mr. Speaker, to sum the whole Budget up. One can see that in many respects it might be called a betterment Budget. The Betterment Levy is gone. The lot of the taxpayers has been bettered. I do not think that anyone can complain about the better position of pensioners; and all in all, Mr. Speaker, it has suggested that since 1976 there has been a better handling of the economy by the Barbados Labour Party; and I leave these last words with the Hon. Prime Minister and his Cabinet, keep up the good work. That appears to be the call not only from the backbenchers but from the public at large; and I am firmly convinced that after three Budgets by this Government there can be no doubt at all that as the slogan which appeared in the Nation says, "Once is not enough". With a functioning as good as that of the Barbados Labour Party, once is not enough. I thank you. *(Cheers)*.

Mr. GREAVES: Mr. Speaker, if I can begin my presentation just by taking up the last comment made by the hon. member for St. Michael North West, I would say that once is certainly enough. I think that the people of Barbados will recognise this as I go along and analyse some of the provisions of this Budget, and certainly as I analyse the economic situation in this country, my view of this Budget is that it is a bitter-sweet Budget.

The bitterness, Mr. Speaker, far outweighs the sweets which this Budget proposes to offer to the people of this country. When one talks of a Budget and indeed outlining the objectives of a Budget, one must come to the conclusion that there are three very important objectives which a budget seeks to fulfill. A budget is to make provision for the Government's ongoing commitments. It also stabilises the economy in terms of prices, and certainly in terms of economic activity and seeking to create jobs and reducing unemployment in the society. 12.55 p.m.

A Budget should also make some effort towards the redistribution of income in any society, and the third point relates to the ensuring of long term growth within the economy. If we examine this Budget in the context of that kind of analysis, one would see some very interesting factors emerging, Mr. Speaker.

The Prime Minister on Wednesday when he presented his Budgetary Proposals, as would be expected reviewed the economic performance of the country and looked towards the coming year, and indicated the kind of direction in which he expected the economy to go. One of the major points which has been discussed ever since the Barbados Labour Party gained power in this country relates to employment or unemployment in whichever way you choose to examine it. One very well remembers, Mr. Speaker, the big song and dance which the Barbados Labour Party made about the number of jobs which they created in this country. Indeed as I recall

early in 1977 the Barbados Labour Party boasted that in three months' time they had created 3,600 jobs in this country. I believe everybody in this country remembers that.

Let us now examine the facts as they are. Indeed let us look at the Barbados Economic Report for 1978. The first thing that strikes me on page 16 Table V, a table which in my view is incomplete, certainly if one were to in any kind of professional way accept that this would be the kind of table which would be presented in any forum or anywhere where one is looking at the employment or unemployment situation of a country, then I would say that it certainly cannot stand the test of any close examination, because there is a very important thing which is missing from this Economic Report. You can read all of the pages of this Economic Report and there is nowhere in this Report any mention of what is the total labour force of this country. Nowhere at all, so that when we are going to be talking about unemployment and about the reduction in unemployment figures, the creation of jobs, the new jobs which have been created by the Barbados Labour Party administration, we have got to ask ourselves where have these jobs been created, because I want, Mr. Speaker, to look at this matter very carefully since I think the Barbados Labour Party administration has been attempting to get away with a lot of things relative to this particular position.

You can very well remember, Mr. Speaker, that on Wednesday when the Prime Minister made his Budgetary Proposals he indicated that he had no confidence in the labour force figures and in the supposedly continuous household survey which was being conducted in this country, and one must also remember that in the Budgetary Proposals of 1977 the Prime Minister indicated that he was changing the basis on which the labour force was to be accounted for in the future. Yet we have a situation where with that change you get members of the Barbados Labour Party coming before us making a comparison between the changed situation, that is, post 1977, with a pre-1977 position which defined the labour force in a completely different way; so that we have got to recognise, Mr. Speaker, that there are some very interesting factors and a very simple analysis which has got to be adopted when one is looking at this question of employment or unemployment.

Now the Prime Minister indicated in his presentation in 1978 the effect of the employment or unemployment levy. One is never sure which particular term is the correct one because if you look in the Estimates you will see it is listed as Employers' Levy. When you hear the members of the Government speaking, some of them talk about an employment levy and some talk about an unemployment levy, but whatever it is, whether it is employers' levy or whether it is employment

levy or unemployment levy, we have got to examine really and truly what is the position and whether or not it has created the kind of employment in this country that the Barbados Labour Party government and the Prime Minister is boasting about.

On page 16 one would see that the end of year figures for 1977 employment is listed as 90,200, and the end of year figure for 1978 is listed as 91,600 which gives a difference of approximately 1,400 jobs. Now the Prime Minister has attributed in his presentation the creation of these jobs directly to the levy. I am saying, Mr. Speaker, that if the levy, and I do not necessarily accept that, is responsible for these 1,400 jobs, and if those are the only jobs which have been created in Barbados as evidenced from the total which has been presented before us, Table V, then I submit that the economy is in a worse position than the Prime Minister is trying to indicate to us. But I do not believe that the economy is in that bad position, because the Government's revenues would indicate very clearly that this is not the position. So what in truth and in fact is happening is that the Prime Minister himself is not clear, is not certain, cannot say for a fact what is the real impact of the employment levy in terms of creating jobs.

Now I will say, Mr. Speaker, that in 1977 when the employment levy was first talked about and introduced, the Prime Minister had no figures on which to go, and I suspect that the Prime Minister for all his vaunted cleverness and all of his smartness has been outwitted and outsmarted by the employers of this country, and I suspect, Mr. Speaker, that they have under-estimated, at least under-returned their employment figures because they know that in 1978 they would be able to get back a refund if they could show that they had created employment, and I suspect that this is what is happening, because the figures, if we are to believe them, which have been included in Table V are very significant and give the lie in my opinion, Mr. Speaker, to the boast which the Barbados Labour Party has been making about the employment levy.

I want, Mr. Speaker, to move on to the question of prices in this country. I would have thought that the Rt. Hon. Prime Minister in his presentation would have given some indication to the people of this country about his Government's policies relative to prices and what it is that Government proposes to do to stabilise prices in this country.

1.05 p.m.

There is absolutely nothing in the Budget to indicate this. There is a Prices Commission which I believe is still in existence which has not met since November,

1976. Prices in this country are rising and the effect of this Budget will mean that prices in this country will rise even further, Mr. Speaker, when you consider that the price of gasoline has risen by the extent that it has risen, when you further consider, Mr. Speaker, that bus fares have gone up by 10cents, some people might say a mere 10 cents or I might say by 28.5% but when you consider that gasoline and bus fares are fundamental in terms of what it means for the people of this country one can see, Sir, what it means when I say that this Budget is a bitter-sweet Budget with the bitterness far exceeding the sweets.

I want, Mr. Speaker, to look at some of the Budgetary Proposals in terms of the impact which they will be having on people and in terms also, Mr. Speaker, of the areas where the Prime Minister could easily have given some measure of relief particularly in this time when the Government boasted of such a rosy financial position. I am very disappointed, Mr. Speaker, that those hundreds of Government workers in Barbados who were forced to go on a four-day work week in 1978, who were forced to make that kind of sacrifice, that the Prime Minister could not find it possible to give them the money that they had lost as a lump sum payment on that particular occasion for the period of the sacrifice. He could easily have done that.

I want, Mr. Speaker, to look a little further at some of these proposals because some people have been rejoicing. I heard the member for St. George North.....

Mr. SPEAKER: You mean the hon. member.

Mr. GREAVES: The hon. member for St. George North. We are all hon. members in here. Mr. Speaker, I heard the hon. member for St. George North this afternoon indicated that he has been talking with people on the street corners, in their drawing rooms, people in the shops — I do not believe that the hon. member went into a shop since Tuesday or spoke to anybody on the street corners since Tuesday, but that is by the way. The point is that he indicated that people are rejoicing about this Budget. Let us look at the impact of this Budget on let us say a typical family in Barbados I think this is very important.

An example which I am going to use relates to a married man with three children, aged 9, 13 and 17. The youngest is going to the Primary School and the other two to Secondary Schools. This man works in Bridgetown and earns \$6,000 a year or \$115 per week which is a good figure to work on. Now let us look, Mr. Speaker, at the man's disposable income calculated before and after. That is before the Budget and after the Budget. With a gross salary of \$6,000 less National Insurance of \$180 he would end up with \$5,820. I am talking in annual terms.

If you take the allowance of \$2,000 per child, \$1,200, it would come to \$3,200 which would give him a taxable income of \$2,620. The tax on that is \$243 and if you take away the tax credit that he is supposed to get this would mean that he would therefore have to pay approximately tax of \$183 on a yearly basis.

Let us look at the position after Tuesday. He is working for the same \$6,000. He will deduct the National Insurance of \$180 which will give him \$5,820. His personal allowance will be \$3,000 and the children will be \$1,400 so that this would give him a total of \$4,400 and would make his taxable income \$1,420. The tax on that is \$142 and if you take away the tax credit it would mean that \$42 would be at his disposal which means that he would be \$124 better off as far as taxation is concerned.

Now, Mr. Speaker, let us look at the same man as far as his costs are concerned in terms of what it would take him to live on in Barbados in this same year period as a result of the Budgetary measures which have been proposed by the Prime Minister and this is before the real impact starts to bite because I was surprised last night when I was going home about 11 o'clock to hear on the news that soft drinks have gone up already and they have only gone up as a result of the Budgetary Proposals of the Prime Minister and I believe there will be another increase before the end of the year on these items. Let us look at what it means.

Let us look at the increase in bus fares and what effect this would have on the man. Let us assume that the man makes 14 trips a week and his wife makes 8 trips a week and the children make 12 trips a week. These are conservative estimates which would give the family something like 1,768 trips per year. With the increase of 10 cents that will cost the family an additional \$176.80 per year. The tax gains have already been wiped out, Mr. Speaker, by the increase in bus fares but this is not the only increase that the family has to face because the water rates have been increased by an extra \$5 per quarter or \$20.00 per year. Soft drinks, beer, and if we assume that the family consumes one case of soft drinks per week maybe two extra cases at Christmas time or we could even assume that a poor person might use 5 beers per week that would come to approximately \$77.80 more. The increase on kerosene oil, if the man uses about 8 litres per week would mean that he would have to pay an additional \$29.12.

Now, Mr. Speaker, there are a couple of savings. He would not have to pay the School Meals so he would save \$18, that is \$180 per year. The bicycle licence, if you assume he has a bicycle, he will save \$2 so that the overall position, Mr. Speaker, of this man who can be described as a typical man or this family which may be described as a typical family in Barbados is worst off after the Budgetary Proposals of the Prime Minister by \$142.72

per year. That is the rate in tax of the Budgetary Proposals which the Prime Minister has just proposed.
1.15 p.m.

That is the real impact of the budgetary proposals which the Prime Minister has just proposed, and I am saying that when one examines it even further and recognises the further impact which these proposals will have on other factors which will affect the living standards of this family, one can see that we are going to be in for some rough times.

I want to look at some other aspects of the budgetary proposals. The Prime Minister in his budgetary proposals made reference to allowances which are going to be made on the question of house building and the kind of incentive which he is seeking to give to the people who are constructing houses. I would have liked, Mr. Speaker, to see the Prime Minister making some allowance for those thousands of Barbadians who live in chattel houses and who have got to repair their houses every year. I am submitting that some serious consideration should have been given to them to relieve them of some of the tax burden, certainly to give them an opportunity to write off some of the expenses which they incur in repairing their houses from time to time, from year to year on their income tax, and I think that this is a matter which certainly the Government should give some consideration to. Certainly, when the Democratic Labour Party regains power it will be a matter which we will most certainly be looking at and giving some generous considerations to.

I want to go on to some of the other matters in the budgetary proposals. Let me return to this question of the bus fares in this country. It is important that one recognises the importance of bus fares, public transportation, to the people of Barbados. There are thousands of people who travel by the buses or who use public transportation every day in this country, and the Democratic Labour Party recognises this. Indeed on the 2nd March, 1976 I gave notice of a Resolution in this Chamber to the following effect:

"WHEREAS the present Government is committed to the progressive improvement of all aspects of the living standards of the people of Barbados;

AND WHEREAS an efficient, modern, low-cost, public transportation service is of vital importance to the further social and economic development advancement of our people;

BE IT RESOLVED that the Government urgently and actively consider the introduction of a standard bus fare, and that this bus fare for any single journey in and to all parts of this island of Barbados be fixed at a level so as to reduce the cost of travelling."

Some months after the Resolution was introduced the bus fares in this country were reduced to 25 cents. We have a situation now where in the first budgetary proposals the Prime Minister raised it to 35 cents, and on Tuesday they have gone up by another ten cents to 45 cents.

The Prime Minister indicated that he expects to collect about \$1 million additional revenue from this increase. Mr. Speaker, I have done a quick calculation and it is my considered opinion that this has been grossly under-estimated. I am not trying to cast any aspersions on the Prime Minister to estimate or not to estimate, I am not indeed attributing any ulterior motive to the Prime Minister for this, but if you assume that the revenue — and this is fairly accurate information — the revenue of the Transport Board is in the vicinity of \$16 million; if you divide that by 35, which will be the 35 cents that people pay, it would give us something like 45 million journeys. Now, Mr. Speaker, if you took that on average and you multiply those 45 million journeys by the 45 cents, it would yield a revenue in the vicinity of \$20.5 million, and if you subtract that from the \$16 million, which is about the present revenue of the Transport Board, you will find that this revenue would be in the vicinity of \$4.5 million additional. We have got therefore to recognise that the whole impact of this is much more serious than we think.

I want to move on to another consideration, another aspect which I think that the Hon. Prime Minister.....

Mr. SPEAKER: The hon. member has two minutes in which to wind up.

Mr. GREAVES: Yes, I can wind up in two minutes. I have a lot more to say, but I can wind up in two minutes.

The question of the Government's attitude to sports and young people of this country. Mr. Speaker, there has been a lot of mouthing and a lot of talk about encouraging sport and encouraging young people to participate in sporting activities. I believe that any right thinking person would recognise the importance of sport towards our general process of national development, but I would have thought that the Prime Minister, with all this extra money that he is talking about floating around, that some kind of consideration would have been given to the young people, and particularly in the area of sporting activities, because if you look at the price of sporting gear you will see that it is extremely expensive and indeed almost prohibitive. Bats are selling in the region of \$120 each, balls \$34 each, boots ranging between \$45 and \$70, footballs between \$50 and \$100, netballs between \$40 and \$45. (ASIDES) I would know, because I had to buy

some recently. I don't think that you bought any, so you would not know, but the duty on these items is over 25%. The duty on bats is 25%, on pads 25%, balls 25%, the duty on table tennis equipment 45%, and I believe that some relief could have been in this particular area, and I certainly look forward to, maybe when the Prime Minister brings down a supplemental budget, something being done in that particular area.

Mr. SPEAKER: The hon. member for the City of Bridgetown.

Hon. Miss B. A. MILLER: Mr. Speaker, before I make my contribution to this debate I should just like to point out to the hon. member for St. Lucy, the hon. member who just sat down, that his arithmetic is all wrong, the sum is marked wrong. And not only myself, Mr. Speaker, but other hon. members who get up to speak after me are going to mark all the sums that he did just now all wrong. The hon. member is advised to stick to the Barbados Workers' Union and leave the arithmetic and algebra and high finance to the Minister of Finance. 1.25 p.m.

He started off with a piece about the average family in Barbados being a married man and three children. In the first place that is not the composition of the average family in Barbados. So the sum is wrong from them; the basic premise of his arithmetic is wrong, so you have got nought for your arithmetic.

Mr. Speaker, I have heard in this debate about manipulation of figures, about under-estimation, over-estimation, provisional figures — but to the man in the street all of these big words are not important at this time. What is important is that the average man and woman in Barbados understand in plain, straightforward language that the Right Honourable Prime Minister has a talent for what we call in Barbados "turning a dollar"; and he has turned it in such a way that he can give something back to each and everyone of us. So all the talk about manipulation and provisional figures does not mean anything to the old person of 65 who can come to town on the bus and not have to pay bus fare. All the talk by the Leader of the Opposition on Wednesday night about provisional figures would have meant nothing to the father or mother who on Monday morning is not going to have to look for that 50 cents for each child for the school meals. So when you get down to it, we want to talk in plain and simple language.

As a Minister of Government I am — more often than I care to be — on television making, more often than not, Government statements. I want in this debate to make a more parochial statement and I want to start by saying that my constituents, the people of the City

of Bridgetown have requested me to congratulate the Minister of Finance and to thank him first of all for the abolition of the 10 cents for the school meals. There are people in here who have said that it is nothing much, but to the people of the City of Bridgetown it means a lot and they have asked me to thank the Minister of Finance for the abolition of the ten cents. They have also asked me to thank the Minister of Finance for the increase of the tax credit. For many weeks before this week people have been saying to me from time to time "I hope the Prime Minister is not going to take away the \$60 tax credit from us." I was not in a position then to say yea or nay, but they know today that the tax credit has been increased from \$60 to \$100 (ASIDES). I hear somebody on the other side "chupsing". They can do that from their position of affluence; but to persons with incomes of less than \$6,000 a year that bonus is very welcome indeed and they are very grateful for it and have asked me to thank the Prime Minister for increasing the tax credit and they hope for greater increases as the years go on.

The people of the City are happy too about the increased income tax allowances; in particular for single persons from \$12,000 a year to \$16,000 a year. I have to call these figures because in all of the talking that has been going on over the past few days we are losing sight of some of the real facts of these Budgetary Proposals. Some people are not fully appreciative of the magnitude and generosity of these proposals. The increased allowances for children have also been well received, but most especially for the people of the City of Bridgetown are the increased allowances — which have been more than doubled — for dependent relatives. There are a lot of old mothers and old aunts and uncles who live in the City of Bridgetown, and they are very grateful that the Minister of Finance has seen fit to double the allowance from \$240 a year to \$500.

They are grateful too for the abolition of the annual licence fee on bicycles. (ASIDES) I hear some members trying to "Pooh-pooh" this, but, Mr. Speaker, there are no less than 20,000 bicycles in this country; so that measure alone has touched 20,000 people. For them it means they will never go on year after year paying the annual licence fee and it means a lot to them. Those who drive in large motor cars can afford to "pooh-pooh" this, but it has been well received not only by the supporters of my Party but by the supporters of the Democratic Labour Party as well.

The people are glad too, Mr. Speaker, for the special concessions that have been made in respect of taxis which are more than 10 years old. Some members on the other side have attempted to "pooh-pooh" that too; but, Mr. Speaker, there are 375 taxis in this country that are over 10 years old and some of them

are owned and operated by people who live in the City, and they are glad that they are now in a position to get themselves a new car without the burden of Customs duties. This is a big thing; it almost halves the cost of the car and it is nothing to snort at. My information is that taxi owners generally are over-joyed by this concession.

But most especially, the people in the City are grateful for the increases in pensions. And at this point, Mr. Speaker, particularly in respect of the National Insurance Pensions, I think it is my duty to clear up one or two mistaken views which people hold. The non-contributory old age pension has been increased from \$16 to \$20. The hon. member for St. Philip South, the well-loved and respected hon. member, I believe quite unwittingly misled this Hon. House when he spoke about the effect of the Budgetary Proposals on the National Insurance Pensions.

1.35 p.m.

I would like to set the record straight. The increase from \$20 to \$25 in respect of National Insurance pensions is larger than it appears. The truth is that there is no fixed pension in respect of National Insurance as it is with the non-contributory old age pensioners. The \$25 is the minimum. We have raised the minimum from \$20 to \$25, but the maximum for National Insurance pensions can go well above \$25 a week, depending on what your earnings were, and therefore what percentage of your earnings were covered by insurance.

The present situation is, Mr. Speaker, I think, that the maximum which a National Insurance pensioner might receive today would be something like \$368 a month — \$92 a week. As the year goes on, contributions can get a little larger and so too will the pensions and other benefits get larger; and this leads me to another very serious and misleading statement which was made. This Hon. House, Mr. Speaker, was led to believe that the increased contributions of last year are hurting those people who are drawing pensions this year. That is far from the truth. The fact is that the people who are drawing old age pensions are not contributing now at the increased contribution rate. They would have contributed years ago at the lower rate, and what they are enjoying now are improved benefits of the National Insurance Scheme.

There is another very important aspect of the Budgetary Proposals as they touched upon National Insurance Pensions which seem to be overlooked by almost everybody. I would point it out because it is very important. Part of the Budgetary Proposals of the Ministry of Finance, Sir, is that he has given a 25 per cent increase to all National Insurance pensioners, not only old age pensioners. There is something called Survivors Pension and there is something called

Invalidity Pension. They are getting the 25 per cent increase across the board as a result of the Budgetary Proposals. You see, Mr. Speaker that there is so much built into these proposals, there is so much generosity locked into it, that at first glance the hon. member for St. Philip South was too overwhelmed. He was not in a position to take it all in; but it is important that we point these things out, because, Mr. Speaker, it means an extra in the hands of those people who are now drawing those pensions.

Some of them when they heard the Minister of Finance making his presentation may not have recognised what was in it for them; and I want them to know, all of those who get Invalidity Pension and Survivors Pension that they too are getting the 25 per cent increase. So there is more than meet the eye at first look.

Now, Mr. Speaker, these things in particular have touched the people in the City of Bridgetown. Mine is a rural constituency. Other hon. members who represent rural constituencies will no doubt make reference to those aspects of the Budgetary Proposals which have brought a measure of relief to their constituents; but those particular items, of all 36 proposals in the Budget touched the City people more than any others. I have just drawn to your attention, but I would just like to say again, that we are happy about it.

Now, to speak in more general terms, Mr. Speaker, I would like to perhaps look back for just a moment at one or two statements which were made in the apology given by the Hon. Leader of the Opposition. This is another occasion on which I have been looking for a reply. I remember one year when there was a reply to a reply. This year in my opinion we have got a long *apologia* for the years 1961 to 1976; and one of the most interesting points made by the Hon. Leader of the Opposition was that the purpose of a Budget is to tax.

Mr. Speaker, this Budget of 1979, has shown the people of Barbados that the sole purpose of a Budget is not to tax. The Rt. Hon. Prime Minister and Minister of Finance has found it possible to use this Budget as a good Budget might be used to give back to us some of the surplus, some of the profits, some of the fruit of the good management in which all of us have had a hand; all of us who tightened belts, all of us tried to conserve energy, and took wage restraints, all of us in Barbados are part of it. We deserve it, and he has found it possible to give back some of it to us, and with great generosity, Mr. Speaker.

Whatever has been said in the great apology for management during the years 1961 to 1976, again I am happy to say that no one can take away from any of us including you, Sir, the free bus service for those over

65; and this again is something which people must grasp. It is free bus transport for anybody over 65 and not for old age pensioners alone. It is for them, people over 65 who would have worked hard to make this country what it is today who will be enjoying this privilege.

On the question of free school meals, the increase in old age pensions that I talked about, the increased allowances are things that cannot be taken away and this is an important thing. The Hon. Leader of the Opposition and the members on that side of the House will never get a chance. They will have to wait until 1981 to be able to take away these things from us. We were careful and we worked hard in this year of 1979 so that next year a greater slice will fall into the laps of the people so that they will not get a chance in 1981 to take these good things away from us.

In all that they have said I have not heard any other hon. member over on the other side suggest that Barbadians do not want this \$10.5 million slice which the Prime Minister has just given them. I have not heard anybody suggest that we do not deserve it. They dare not say it and there is a lot more that they dare not do. The fact is that we have worked harder and things had to be a little harder before they could get easier. They have got a little easier now and we are getting a share of that. Good management has been evident within three years, and this is something which cannot be seen anywhere else in the Caribbean; and as the Leader of the Opposition often says, this is a hard boiled fact. They cannot take it away from us.

Now, Mr. Speaker, with all this talk about discrepancies and about manipulation and so on and so forth, I want to know if the people on the other side will have the courage to get up and say that if they came back into Government they would abolish the Employment Levy or reintroduce the Betterment Levy. 1.45 p.m.

Mr. Speaker, we promised to abolish the 5% sales tax and we did it; we had the courage to keep our promise. I am saying all of this, Mr. Speaker, to point out that a lot of what we were hearing from the other side of the House yesterday and I believe we will continue to hear it today is simply opposition for the sake of it, but they dare not make a definitive statement about what they would do or what they would not do.

Mr. Speaker, I want to perhaps let us look a little beyond the Budget. We are getting a larger share than Barbadians have ever got in the history of Barbados, but there is more to it. The \$10.5 million which is coming back to us now has nothing to do with the other Government projects which are under way and others

which will get under way in this financial year, and I am talking now, Mr. Speaker, about Barbados Labour Party projects. I have just had word from the Inter-American Development Bank about the Polyclinic loan. Construction starts in this year will be made at Warrens, Wildey and Oistin. All of that is yet to come. The hon. member wants to know what about St. George. St. George will come in the next year. I have to leave some workmen over to help the Hon. Minister of Education build the Polytechnic; I have to leave some over to help us get the sewage project to a further stage than it already is. We cannot start everything in this year because we do not have the work force to do it, but all that is coming.

Mr. SPEAKER: You mean everybody will get.

Hon. Miss B. A. MILLER: Everybody will get. The free school uniforms are coming in this year, and that has not got anything to do with the Budget. Reduced cost of drugs is coming in this year, Mr. Speaker, so all of that is yet to come.

Mr. Speaker, I should like to say that the Budgetary Proposals of 1979 indicate to the people of Barbados that times can only get better. When we came in 1976 it was not possible for things to get worse; it was at rock bottom. Things could only get better; they had to get a little tougher and a little harder to get better, but things are getting better as the hon. member for St. Michael North West has pointed out, and they are going to get better. In the next year and the next year after that they will get a little better, and so it will continue. The great beauty of these Budgetary Proposals for me, Mr. Speaker, is that we have seen this concept of giving back, that a Budget is more than an instrument to tax people, and that some of the hardwork we have put in we will reap some reward for.

Mr. Speaker, I have been instructed to say this, particularly on behalf of the people of the City of Bridgetown, I wish to congratulate the Minister of Finance and Rt. Hon. Prime Minister for what he has given not only to us in Bridgetown, but to all Barbadians in this 1979 Budget.

SUSPENSION OF SITTING

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I beg to move that this sitting be suspended until 2.45 p.m.

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

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

On Resumption:

Mr. SPEAKER: This sitting is now resumed.

The hon. member for St. Joseph, the Hon. Minister of Communications and Works.

Hon. C. L. BOLDEN: Mr. Speaker, one of the greatest criticisms made on the Budgetary Proposals was that the unemployment levy did not operate in the way the Hon. Minister of Finance said it could operate. The Opposition has also levied charges against the Government based on the fact, as they said, that there was no visible means of identifying the reduction in the unemployment force in this country. I should like to take my guidelines from practical situations. I well remember the Budget Speech of 1976 when we in the then Opposition charged that unemployment was running at a very high rate. I well remember the Minister of Finance of this Government saying that that unemployment figure had been reduced.

Mr. Speaker, if you want to know whether the statements are true or not, all you have to do is to take the daily Advocate and especially the Sunday Advocate and you will notice the number of advertisements appearing in the Classified Ads for workmen skilled and unskilled, and you ask yourself the question if during the period 1974 to 1976 did you see such advertisements in the daily media, and the answer has got to be "no". To me it means that there is now a scarcity of workmen in this country. If you go around homes and ask the question "can you get a Barbadian maid", you will be told "no" because there are no persons in that category who are available for work, therefore it means that this Government has been successful in reducing the number of unemployed in this country.

Mr. Speaker, this Government has created a climate where investors are prepared to invest, where businesses are prepared to expand and where people are prepared to work. The Ministry of Communications and Works are supposed to be the largest employer of the work force in Government. I believe, outside of education. The Hon. Minister of Agriculture will tell you that when he was in that office there used to be two policemen outside the Minister's door to keep away the number of people who were forcing their way in to see the Minister and beg for work. It does not happen today. As a matter of fact, I do not remember the last day I have seen somebody coming and asking for a job as a carpenter, mason or plumber. If you want to repair your house today, you will have to put an Ad in the newspaper to get one of that category of person. When you see firms employed on large contracts advertised in the media, in the newspapers, over Rediffusion and over C.B.C. asking workmen to report at the site for work immediately, it is a true indication that there has been a reduction of the unemployed in this country.

Now the Hon. Leader of the Opposition and several members on that side charged this Government for manipulating the figures and the Leader of the Opposition spent nearly 25 minutes outlining what a Budget Speech is, what it is about and how it should be presented, and he attacked the term "management" and said that you must not take credit for managing the economy to yourselves, you must give it to the public officers. Now the same public officers are still employed — I am using the words of the Leader of the Opposition — in the positions which they held in 1975 and 1976. Now they proceeded to castigate this Government for a four day week, but they did not say that the same public officers who were advising in 1975, advising in 1976, advising in 1977 and advising in 1978 were advising when the Government took the decision to have a four day week at M.C.W. If at that time, Mr. Speaker, the economy was still in the grips which had been left when the Democratic Labour Party went out of power, if the Government of the day took what we considered was a necessary step in an effort to correct the deficiency in the economy, politicians are now being blamed for that, but not public officers although we are supposed to give them the praise when they manage the economy well; but the Ministers are supposed to take the lashes when something else happens.

Now the Leader of the Opposition and the whole Opposition Bench cannot have it both ways. I can say the economy has been managed well. We can praise the public officers who have assisted us in managing the economy well, but it is the politicians who have got to set the guidelines. We have got to make the policies and make sure that they are being carried out if we are to succeed in what we want to do.
2.55 p.m.

The hon. member for St. Lucy, as always, made some statements which he cannot justify. He spoke about unemployment. He said there was no total figure available in the document for June by the Government but when it was indicated to him that if he looked at page 16 he would find that figure he chose to ignore it. In ignoring that, Mr. Speaker, I wish the public of this country to understand that politics has been removed from out of the days when people got on platforms and made a statement for the sake of fooling the people and he talked about fooling the public. I want the public to understand that every figure given by him in this House today was incorrect.

He talked about recent prices and he did not speak about the subsidy which has been given by the Minister of Finance in this Budget. The Opposition never talked about the benefits that will come to the country, the immediate benefits and the spin-offs which

will be felt in a year from today and I will outline some of those benefits.

Surely, Mr. Speaker, everybody knows that the price of gasoline is dependent on what raw oil cost outside of Barbados. This Government has made policies to save the country from a high fuel bill. When the Leader of the Opposition in 1973 decided to go back to the University, and I do not know if he went to teach, he said he loves being a Teacher. I heard he was teaching but he said he wanted to recharge his battery. He wanted to get more energy and he left the Administration of this country in the hands of Mr. Philip Greaves who was Acting Minister of Finance and the hon. member for St. Michael South West.

The hon. member for St. Michael South West got up and said there was an energy crisis. When the Leader of the Opposition, the hon. member for St. John came back to this country, he said the only energy crisis there was in the minds of those who said so. We did not say it. You will remember it was in the newspaper reports. News of the fuel crisis started right from those days and the cost is still rising today. They criticised the cost of fuel as if Barbados drills enough oil to supply its own fuel.

Another Caribbean Country that has fuel raised their prices too. We can only set a price based on what we buy the product for. I do not understand what they are criticising us for. People outside said they thought it was going to be more than what it was. When it comes to bus fares, when the Hon. Minister of Finance said it was going to be 45 cents, the Gallery shouted "is that all?" It has not reached 65 cents yet, Mr. Speaker, it was at 65 cents when they were in power and as an Election gimmick they talked about nationalisation of the Transport Board. They talked about a 25 cents bus fare but they said we went and bought old buses from the bus concessionaires and created the Transport Board. That is what they said in the previous debate in this very Chamber.

Mr. Speaker, you hear people complain about the roads. They ask questions about repairing the roads but the Opposition would not admit that in 1962 an Agreement was signed between the then Government, headed by the Leader of the Opposition, now the leader for St. John, with Mobil Oil Company giving Mobil a lease which I believe stretched down until 1990 in this country and giving them exclusive rights to provide fuel in this country. We are going by that Agreement today. The roads in Barbados will get worse unless the Government take it in hand and re-negotiate the Agreement because Mobil cannot provide the by-products to fix the roads. The roads are getting bad. In this morning's paper you will see a letter which said

that the roads were bad under the Democratic Labour Party. Does it have to wait until the Democratic Labour Party comes back into power to fix the roads? That will be 1999 when the Agreement runs out because Mobil cannot provide the colasse, the bitumen or the R.C.2's that are necessary to fix the roads in Barbados and I say we are hamstrung because of the Agreement with Mobil and it was signed by the Democratic Labour Party in 1962.

We will have to take this Agreement in hand because when you write to Mobil they ignore you. The Plant works for three weeks but is down for one and they tell you straight that they have an Agreement with the Government. They want to tell you that you cannot even import oils or by-products in this country. You talk about manipulation? You see what we have got to go through? If you want to talk about manipulation.

The hon. member for St. Lucy in his constant effort to mislead the country stood up in here and talked about the Transport Board, bus fares and receipts. Let me tell you what are the true figures for receipts and expenditure of the Transport Board in 1978. The total revenue from fares collected on routes, Mr. Speaker, was \$10,106,950. Other revenue from charges was \$1,805,553 making a total revenue of \$11,912,503. The subsidy received from Government was \$3,161,528 so when the hon. member for St. Lucy got up and said that the Transport Board was taking in \$60 million he forgot to tell the public of this country that the Transport Board was subsidised to the tune of \$3 million at last year only in current expenditure and operational cost, but taking into account depreciation of the vehicles because every bus used by the Transport Board is paid for by Central Government which is another subsidy to the travelling public in this country and the hon. member for St. Lucy, a Trade Union Leader, should not mislead this country. He should speak the truth especially when he knows he is on the Media and let the public know what is going on. The public must see through these sort of exercises that you get from members like that.

Now in 1979 we settled a Wage Agreement with the Barbados Workers' Union for the workers at the Bus Company. They got a 25% increase in wages. A bus driver now earns \$179.50 per week. We have just agreed to give them free uniforms. The projected expenditure, Mr. Speaker, is \$14,461,135. This is only operational expenditure.
3.05 p.m.

He will not tell you that a bus is costing the Government today in the vicinity of \$90,000, he will not tell you that in this year's budget the Government

is providing subsidy to the tune of \$7.2 million to the Transport Board, but he tells you about a 45 cents bus fare. If you had to pay an economic rate for travelling by public transport in this country, by this time if the Democratic Labour Party was in power, you would be paying \$1.20 a trip. They will not tell you that, and that is what you call good management.

Free travelling for old age pensioners. Mr. Speaker, they will not tell you again that the reason why we have said that old age pensioners must travel between specific times is that 74 buses are taken off the route every day to service schools in this country, therefore if you have to service the workers in Bridgetown, the workers on the industrial estates, the school children and you are giving the old age pensioners a free ride, then they have got to give up something too. They have got an increase in their pension, they have got other subsidies like repairs to their homes. We do not work the repair scheme like it was done under the Democratic Labour Party, we have a genuine repair scheme where genuine old age pensioners have their houses repaired, not people living all around and names appearing in the National Housing Authority's books, people who are 35 years old getting through under the guise that their homes are owned by pensioners, genuine pensioners, so if the pensioner is asked to travel from 9 o'clock in the morning – at any rate, Mr. Speaker, when I get to that age I will get out of bed at 10.00, not at 8.00 to catch a bus at 9.00. I will get up at 10.00 so that I can travel at 11.00, so what is wrong in asking a pensioner to travel at 9.00 and get home before 3 o'clock?

I want to move now to another very serious point, water rates. When I heard the Democratic Labour Party talk about water rates in this country is when I recognised that they have no shame, none whatsoever. Let me read from a document called "Eventual Loan to Bridgetown Sewage Project – Conditions and Recommendations." The Democratic Labour Party in 1975 held discussions with the Inter American Development Bank about a sewage scheme. When we were in Opposition we said over and over again that when you are dealing with international agencies, when you are dealing with projects that affect the entire lives of people in this country, you must take the Opposition into your confidence, and Frank Walcott got up here and said if he had the chance they could not come in at all, not even in here, but it was by fate that the document appeared in the hands of one of us when we were on that side, and the most telling part of that document is clause 9 of the Agreement. Let me read it for you to place it again on record:

"The borrower," that is the Barbados Government, "shall take appropriate measures acceptable to the Bank," that is the IADB, "to

ensure that rates charged for supply of water and for provision of sewage service by the Authority shall be gradually increased in order that within three years of completion of the project and during the life span of the loan, such rates produce revenue at least sufficient to cover all operating expenses of the water supply and sewage system, including those relating to the administration, operation and maintenance and to the extent possible depreciation, taking into consideration the recommendations resulting from the technical co-operation agreement in financial and tariff matters."

Mr. SPEAKER: I would like the Minister to give us the date of the document and identify it as clearly as possible for the benefit of our Hansard Reporter.

Hon. C. L. BOLDEN: This document was signed by the then Minister of Health, now the hon. member for St. Michael South, on the 8th April, 1976. That is not all, Mr. Speaker, that is just the beginning. I will do this like a court case now where you have exhibits. Let me read from another document for you. When they talk about water rates, this is another document from the Waterworks Department here, the Government's files:

"The history of the water rates structure shows that there was no change from the rates introduced in 1953 until 1974. The increases which became effective April 1, 1974 were that all fixed rates charges were quadrupled; a 300% increase."

Nowhere has this Government increased water rates 300%. I will give you further information, Mr. Speaker. Let me tell you what is happening. Even today the subsidy paid on water last year. . . .

Mr. SPEAKER: I take it the hon. member means that the rates were up four times from what they were.

Hon. C. L. BOLDEN: Four times from what they were during the reign of the Democratic Labour Party, in the middle of a fuel crisis at that, in the middle of an austere period.

The subsidy paid by this Government last year in respect of water was \$6 291,038, so if the Minister of Finance raises his water rates at this going down, we are only keeping within the terms of the document signed by the Democratic Labour Party which increased the water rates, and we have to increase them, we cannot do otherwise, otherwise we are in breach of the loan agreement that will last for some 30 years on very soft interest rates. We have to raise the water rates, we are bound by the actions of the past administration.

Mr. Speaker, when I was in Opposition I used to contend that we were throwing money down the drain building public baths, and the Prime Minister and Minister of Finance has heard my cry. He said water in every home by 1980, no more public baths unless we have to put them in areas where the terrain cannot cope with wash water. They used to pay \$60,000 to build one public bath, and I heard members of the Democratic Labour Party in this Chamber telling the public that the average use of a public bath was 3.4 persons per day. When I asked how many women used public baths, up to now they would not tell me. Do you know what it is? About .3, women do not go into public baths. Barbadians are sophisticated people, they do not want to go into public baths with towels hanging around their waists, even if they bathe in a back yard they want to have their own thing.

The Leader of the Opposition talked about irrigation. Let me use another document. Out of the water resources study we have investigated, one of the terms settled was to present recommendations for the allocations and utilisation of water for the purpose of irrigation for agriculture. That was one of the terms set by us.
3.15 p.m.

We have discovered that you can use 46 million gallons of water per day up to the year 2000; of this amount 40 million gallons would be for domestic use and 6 million gallons for irrigation. Government is working on a project to utilise that water effectively with a suitable irrigation scheme which I believe the Minister of Agriculture will deal with later on. So the problem is that the Opposition could not criticise the Budget effectively because every angle they could think about we have thought about; so we have them well covered. But let me tell you something, Mr. Speaker, Do you realise that of all the public utility services in this country water is still the cheapest? If you take electricity — I have not got my figures to hand — electricity costs more; telephones cost more; and even with the new rates for water you are paying less than for a telephone. You can do without a telephone, but you cannot do without water. So the Opposition cannot really understand the Budget, and if they cannot understand I am sorry for them.

I want to get to another crucial point in the Budget. Mr. Speaker, I have not heard one member of the Opposition comment on the concessions granted to taxi drivers. Taxi drivers supported the Democratic Labour Party for 15 years. I was not in this country in 1961, but I heard how they drove around the streets with brooms saying "sweep them out." But what did the Democratic Labour Party do for them? Nothing. I carried out research at MCW and found that they were 360 taxis over 20 years old. What have we done? We

have said that taxis being replaced by diesel vehicles would be allowed in duty free.

I took time this morning to make a few checks on what this means to the taxi driver. When they talk about gas going up let them understand that the taxi driver today is better off than the ordinary man who wants to buy a motor car. If you want today to buy a Datsun that you use in the taxi trade, the price for a taxi man would be about \$15,000 duty free. Under the old scheme he would have had to pay about \$26,000. If he had to buy another type of car he would pay between \$32,000 and \$36,000 duty free; and if he had to pay duty he would pay between \$45,000 and \$50,000 depending on the luxury and style. But what would an ordinary Toyota or Datsun cost duty free? A minimum of \$16,000. So the taxi man can go and buy a luxury car cheaper than the ordinary citizen can buy a car to go to work. This is one time the people of this country understand what an equitable Budget is, and I condemn the Democratic Labour Party for criticising a Budget which spreads its gifts over the whole spectrum of society from the top to the bottom.

The Leader of the Opposition talked about non-established staff, casual workers, etc. We did not create these terms. All I would like to say is that the people in the country generally, especially the people in Cattlewash, are happy about the Betterment Levy which has been removed, because everyone of them had been charged with the Betterment Levy as a result of the East Coast Road. They had their property there before the road came and the Government will give them back the money they have paid and I am very happy that the Prime Minister has seen fit to do this.

Mr. SPEAKER: And I am happy that you have come to the end of your time. The hon. member for St. Michael North East.

Mr. SISNETT: Mr. Speaker, Budget Day in Barbados over the past years has become an occasion when Barbadians from all walks of life, despite their political affinity, assemble to hear in what way the Leader of the Government propose to administer the national Budget. Budgets represent the fiscal response to the problems of the day. Last Wednesday April 25th, was the third time the Rt. Hon. Prime Minister of the Barbados Labour Party Government delivered the Budget to the nation. Indeed, Mr. Speaker, that was the Budget of all Budgets, for in my estimation it has resulted in bringing about a national quiet, suppressing the restlessness that had developed in many quarters in this country over the past two years because of the stringent economic measures taken by the Prime Minister. Pro-Barbados Labour Party supporters as well as devoted Democratic Labour Party supporters have put aside, at

least for the time being, their political differences and have given Jack his jacket. To the Prime Minister great credit is due.

But, Mr. Speaker, despite that I am a little stunned at the low-key response from the Official Opposition in reply to the Budget Speech. One would have thought that at least the hon. member for St. John who held the post of Prime Minister for some 15 years would have given a better performance before a national audience on the Government's fiscal policies. But it would seem that in his poorest he did his best under the circumstances. But what else could he have said? What else could he have done? He was speaking without the firmness of conviction, without knowing in what way to reply to the tax relief budget advanced by the able, dynamic, energetic, 21st Century Prime Minister of an effective, progressive Barbados Labour Party Government.

What is there in the Budget, you may ask, to bring happiness to the people of this country? In my view there is a lot to bring happiness to the people of this country and ease the task which over the past few years has had a divisiveness among the inhabitants of Barbados. But you only have to look at the Budget itself, at the 32 points for which Barbadians everywhere are happy. To my mind reduction of the corporation tax of 20% of profits derived from building two or more wall houses in any one year is certainly an incentive, for everywhere you go in Barbados you can see there is a crying need for more houses; and if this incentive can give builders the desire to get more involved in the construction of houses, we can see the private sector being involved in the construction of houses to assist the Government in housing its people. Furthermore, increase of the tax credit to persons with gross incomes of less than \$6 000 from \$60 to \$100 is in my view another great incentive. In addition, increase of the single person allowance from \$1200 to \$1600 and the abolition of wife's earnings allowance must go down as a master stroke of the present Government.

3.25 p.m.

Mr. Speaker, a further incentive to Barbadians in my view is an increase of the allowance to married persons whose partner has no income and which goes from \$2,000 to \$3,000. This is another of the great burdens which has been removed from Barbadians. I would like to see a portion which says an increase in allowances for dependent relatives from \$240 to \$500 and the income allowance from \$120 to \$250. Apart from the dependent relatives, Mr. Speaker, there are many Barbadians who take care of foster parents; and I would urge the Prime Minister and his Government to see in what way these foster parents who are not relatives of the people who look after them in their old age can also benefit from this \$240 to the \$500 range.

The abolition of the Betterment Levy Tax must go down well with those persons who are affected by it, and also the reduction of Consumption Tax on cement and bitters is a great incentive which I am sure Barbadians would cherish; also the removal of entry duty on vehicles imported to replace taxis 10 years old and over and which have been in operation as taxis for at least five years.

Other speakers have deliberated these aspects, and it makes no sense to repeat what most of them have said.

Mr. SPEAKER: The Standing Orders would not permit it.

Mr. SISNETT: Mr. Speaker, another great incentive to the Barbados community is Government's decision to purchase shares in the Barbados Light and Power Company to provide capital for more electrification. This will give those districts in Barbados which at present do not have any form of electricity in the areas a chance in the near future to have this service connected to them. I am particularly happy to see that some people in the St. Michael North East area will now have a chance to have some electricity in the areas; also some persons with whom I am intimately connected in the St. George Valley area who have not had electricity connected over the years will now benefit from the service.

The abolition of the charge for school meals, I think that this is a master stroke indeed for the parents of the nine children who benefit from school meals. Even though it was only 10 cents, to some of them it was a burden to find that money. For the first time what can truly be considered free school meals must be a commendable policy on the part of the Prime Minister. I have spent part of the morning talking to people in the various constituencies and their report was that the Prime Minister has done a good job. This is one for which I think he should be given due praise and that the Cabinet should be given due praise. The people of Barbados are totally happy, and most of them in the St. Michael area have asked me to report to the Prime Minister that they are standing behind him with all that he has done for the country and with all the problems that arose in the past. We have seen the Cuban affair. The question in 1976 was the question of Sydney Burnett Alleyne and again in 1978 it was the question of Sydney Burnett Alleyne. The Prime Minister must have had some very trying moments in trying to do his job not only as Prime Minister but as a person for the good of Barbados; and these persons have asked me personally to convey their appreciation for all that the Prime Minister has been doing to keep Barbados on a sound economic footing.

Certainly, Sir, I would not want to go back to speak on anything on which any of the other members

have spoken; but certainly I would have to mention the increase in the old age pension from \$16 to \$20 a week. That is something which the Barbados Labour Party promised in their Manifesto of 1976, and certainly the entire Government — I am not singling out anyone personally — they must be commended for the work they have done in order to have these pensioners increased to \$20. I would like personally to commend the hon. member for St. James. I understand that when he was in Opposition one of his main interests was the plight of the old people and that they should have a fair share of representation. I believe that he must be very happy today, Sir, to see that one of his wishes have come true.

Furthermore, I personally want to congratulate his successor, Senator Blackman, for the work that he has done in a short time to see that the pensioners in Barbados receive this money. His assertiveness in community matters has certainly instilled a ray of hope in the old age pensioners and most Barbadians which they had lost at a time when they thought that they were just being given promises. At this time — I would like to make it a document of the House — the Nation newspaper of 4th April, 1979, reported in an editorial "Good News for the Aged." It shows the Nation Newspaper was following the successes and monitoring the achievements of the Government, because they reported that this was in the Manifesto of 1976.

Mr. SPEAKER: Is it that the hon. member is seeking to draw to the attention of this Hon. House a complaint against the newspaper?

Mr. SISNETT: Mr. Speaker, I would not want to make a complaint. I just want to make it a document of the House.

Mr. SPEAKER: I am trying to give the hon. member an opportunity to lay the foundation for having this newspaper made a document; and if there is not a complaint against the newspaper I think you will find it extremely difficult unless you are quoting from it for some reason to make it a document of this House.

I am merely quoting from the document in relation to Senator Blackman and the Barbados Labour Party Manifesto of 1976. In this paper of April 4, 1979, it reported that the Barbados Labour Party stated in its Manifesto that it would be necessary for Barbadians to make some sacrifices to more adequately take care of our old age pensioners and it went on to say that it would reduce the qualifying age to 55 and increase the weekly allowance to \$20. Those were our promises of 1976 when we were in Opposition, and those are our promises that are being fulfilled in 1979 as part of the fiscal incentives. Among the matters that we debated, I would like to speak personally on energy. On the question of energy,

Barbadians will continue to be at the mercy of the oil magnates of the OPEC bloc of countries, the Sheikhs and the Arabs.

3.35 p.m.

We, Sir, are in a very critical position since our dependence on imported oil exposes the island to the sudden price rises imposed by those OPEC countries. I am therefore appealing to all Barbadians to make a concerted effort to help the Government to save its valuable foreign reserves by concerting all forms of energy. We can all assist. How can we do it? How can we assist? We can all assist by becoming more aware of the bad habits that some of us have and trying to eradicate them, habits such as the extended use of the telephone which is a great electricity user, habits such as restricting the excessive use of water which, Mr. Speaker, I am sure that if we all try we can in some way assist in helping to cut down or conserve our electricity bill by turning out unnecessary lights at night which are not really necessary for existence, by not keeping the refrigerator too high. Every little measure will help Barbados in conserving fuel which is so very costly to us.

The developed countries especially Japan and the United States have embarked on strict oil conservation programmes. People are encouraged to form car pools, the car industry is encouraged to make small vehicles which would use less petrol and incentives are given to make greater exploration of oil. Barbados, Sir, is just a very small part of the whole global infra-structure that finds itself caught up in the conservation of energy and we have all got a part to play in reducing our consumption of fuel. The Government ought to be commended for the foresight in encouraging local businessmen to explore the trapping of solar energy. I should like to see every Barbadian home filled with some solar device whereby we can drastically cut back on the use of electricity. Furthermore, Government's new Ministry of Agriculture at Graeme Hall will be the first such building in the Caribbean to be cool-conditioned by the use of solar energy. It is an innovation on which Government ought really to be commended. The main point is that all Barbadians to survive must be conscious of their limited energy resources. It is limited and it is very expensive, so we have all got a part to play in conserving energy.

The Hon. Leader of the Opposition, the hon. member for St. John in his reply yesterday stated in part that he was putting the official Opposition's position undeniably clear. He mentioned Government's decision to charge a fee to persons selling sundry items such as black coral and dresses on the beach as a tourist attraction, and the charging of a fee for a licence which is administered by the Parks and Beaches Commission. I do not understand what the Leader of the Opposition was really getting at. He said that as Barbadians those persons have a right to sell and operate their business without having to

purchase licences. This seems a very irresponsible statement coming from a responsible person. Let me explain, Sir. I have spent a little time among some of these people on the beaches doing their various trades, and I have seen some of the womenfolk, Barbadians, Vincentians and St. Lucians who are seamstresses making their clothing and taking them to the beaches and selling among the tourists. I believe, Sir, that to understand clearly why Government has initiated the system where these traders have got to be licensed is that they are many people coming into Barbados from these islands and even from as far afield as Guyana on a mere holiday for 17 days or probably one month, but before you know it, these same people are involved in some kind of trade on the beaches among the tourists, and frequently it is reported that Mr. X, a visitor to Barbados has been hurt, injured or robbed in the precincts of the hotel. It is a bad reflection, Sir, on Barbados and one reading such a story abroad would tend to think that Barbados is one of those countries where people are not free to walk; but it is not necessarily the Barbadians who are involved in these misdemeanours in relation to the tourists. They are people who have come to Barbados on holiday for as little as 17 days and find themselves selling black coral, selling marijuana and being involved in lots of illicit trade on the beaches. What Government has done in order to control the whole system where people can rightly do their business is to impose a licensing system that all these people who want to do any trade must be registered. I have seen some of the foreigners molesting tourists in a very abusive way, behaviour that certainly is quite unlike Barbadians. The manner of speech, the manner of attire, the total hatred they have for the tourists when they do not respond favourably to the wares they are selling are not in keeping with the Barbadian tradition, and it is for this reason that the Government has instituted a system whereby those people on the beaches who want to do trade will have to be licensed. I have heard it reported that some of the officers of Parks and Beaches themselves are involved in this kind of thing with these workers; they are receiving bribes. I have reported the matter. I am not sure whether it is so but I have reported the matter to the rightful authorities and I would hope that they investigate these accusations and if this is so bring them to the rightful authorities for punishment.

Mr. Speaker, I am quite happy that the Budget presented this year by the Hon. Prime Minister of Barbados is in keeping with the traditions of the Barbados Labour Party. One of the areas where I would like to encourage Government to pay a little more concern is the area of assembling vehicles here in Barbados so as to reduce the necessity of importing a number of foreign cars for the tourist industry. Incentives have been given to

the tourist business where people can now purchase diesel engines, but I should like to see Barbados follow the Guyana principle where Barbadians can purchase CKD which is a variation for complete knockdown kit to assemble their own vehicles right here in Barbados. It is the kind of vehicle that is being used in Guyana. It is called a tapir and it is a car that is rather cheap and Guyanese are using it for the tourist industry. I believe it would become an ideal replacement for the moke, I do not see why Barbadian technology cannot be encouraged to develop such things as mini-mokes.

3.45 p.m.

After all you import a mini moke from probably England at \$8,000 and it retails here for about \$14,000 and I feel that we will be offering a great incentive to our engineers, to our body-works men, our electricians and so on and so forth if these vehicles could be brought into Barbados in a complete knock-down form and then assembled here as an incentive for people. We must not forget, Sir, that in Grazettes, the Acme Engineering Company is doing a commendable job in the assembling of the Transport Board buses and if Barbadian technologists can assemble buses right here in Barbados I do not see why we should not be given the incentive to bring these tourist vehicles, the mini moke vehicles in a complete knock-down form to Barbados and give our workers the chance to experiment on their various skills.

Finally, Mr. Speaker, I want again to commend the Hon. Prime Minister for the Budget. I want to commend the entire Cabinet for assisting the Prime Minister. I believe that he understands the total problems in Barbados. He has done a very laudable job over the years and as I have reported before the people of St. Michael North East, those whom I have spoken with have asked me to convey that they are totally behind him in the way in which he has administered the fiscal policy, the way in which he has run the entire Government despite the odds under which he has operated since 1976.

Mr. SPEAKER: I merely want to say for the benefit of the hon. member who has just sat down that with regard to his making the newspaper a document of this Honourable House, if the newspaper is barely saying that a political party is doing a job for which it was elected to office to carry out is not justification for that newspaper being made a document of this Honourable House.

The hon. member for St. Michael South.

Mr. SANDIFORD: Mr. Speaker, some two years ago I indicated when the packages of harsh, restrictive proposals including wage restraints and other measures were imposed cruelly upon this country, I indicated then that it was my prediction that some time in 1979, and in 1980, things would somehow or another get better. A few weeks ago in the *Nation Newspaper*, if my recollection

serves me correctly, there was a cartoon in which there was a Prime Minister of a country looking very puzzled on a race course and a horse named the DLP was out galloping at full speed and the Prime Minister could not even get around. The DLP was out at the starting blocks way ahead.

This Budget, Mr. Speaker, appears to me to be the Prime Minister's answer to the way outfront position of horse DLP as far as public opinion in this country is concerned and I therefore say that when we look at the Budgetary Proposals the packages of hand-outs, the concessions or whatever else may be in the give-away collection, I share with Shakespeare in *Julius Caesar* "When these things do so conjointly meet, let not man say such and such are their reasons for they are potents unto the things they point to".

I wish as far as this Budget is concerned to speak in terms first of all of what is a Budget. Secondly I would like to look at the different types of Budgets that can be imposed on a country. I wish to consider Budgets within the context of the economic goals and objectives of this country. I believe it is in order also to reflect upon some of the major economic and financial problems that are facing this country and finally to consider the Budgetary Proposals within that framework of analysis.

First of all, Mr. Speaker, as far as the Budget is concerned, the Financial Statement and Budgetary Proposals represent a formal statement relating to the income and expenditure of a country. It relates to the measures monetary, physical and fiscal which the Minister of Finance may impose on a country in order to deal with those economic and financial problems. As such it represents a significant tool in the hands of the Minister of Finance to direct production and consumption in a country, to allocate resources among the different sectors, to control the availability of money to different persons and groups within a country and generally speaking to bring about some effect on the major factors of production.

It is also customary when the Budget is being presented to give a document called the Economic Survey, now termed an Economic Report, which would deal with such matters as the balance of payments, reflect upon the distribution of populations, deal with some of the statistics relating to the production of some of the major industries in the country, give some statistics relating to balance of payments, consumer expenditure and including some comparisons of the previous years.

As far as the types of Budgets are concerned, basically there are three types which may be imposed upon a country. First of all, there is a **Balanced Budget** and in terms of the economic concept of the circular flow of the economic activity. A balanced Budget does

very little, generally speaking to change the factors of production in any significant way because what is generated on one side balances out with what may happen on the other side.

Secondly, within that same concept of the circular flow of economic activity, if there is a Deficit Budget chances are that that particular Budget might have a stimulating effect on the economy of the country because it can help to stimulate production and stimulate the various factors of production.

3.55 p.m.

The third type of budget, (the balance budget, the deficit budget and the surplus budget) the budget which we have today in 1979-80, the surplus budget, generally speaking, all things being equal, tends to reduce the level of activity in a country because of governmental intervention in these particular areas. That is the general effect of the surplus budget, it tends generally to decrease the level of economic activity in a country.

Now as far as the economic goals of this country are concerned, I would say that it is the aim and objective of this country to ensure that there is full employment, because employment is the major factor or one of the major factors guaranteeing income to persons and thereby enabling them to meet their cost of living. I would say that stable prices would represent another economic goal of this country, because if prices are going up the value of the dollar that each one of us earns tends to decrease. I would say that a third economic goal relates to economic growth, and development, and in terms of development I mean specifically growth plus change; and fourthly, I would say that the objective of promoting and developing what I termed way back in the 1960's the just society which may also be termed the search for social justice and equality represent a major objective in this developing country of ours. And if I may add a fifth objective, it would be to ensure that our population is developed in such a way that the individual skills, the individual abilities, the individual talents of our population are diversified and extended to the fullest possible extent so that all of us may attain our fullest potentialities in a developing country.

As far as unemployment is concerned, this is a major problem in this country. I have indicated the goal of full employment, and I am stating that as far as the attainment of those goals is concerned, that unemployment remains a major problem endemic in this economy of ours, and we will expect the budget 1979-80 to address itself to that fundamental problem and to come up with some type of strategy for dealing with unemployment. As my colleague, the member for St. Lucy, so eloquently pointed out, the very data base is questionable on which the unemployment figures are

posited. We have had different figures as far as the growth in employment is concerned, we had a figure given to the hon. member for St. Lucy in reply to a Parliamentary Question, one set of statistics, we had another set given in the economic report, there is another set varying in the Financial Statement and Budgetary Proposals, there was still another set, a different set of economic statistics, given when the distinguished Prime Minister of this country, the Rt. Hon. Prime Minister, when he was Leader of the Opposition he indicated that unemployment ranged from some 26% upward in this country in the Manifesto of the Barbados Labour Party for the 1976 election. Somehow or another by the waving of a magic wand we have found that unemployment has somehow or another dropped to some 10%, 11% or 12%, more than half, according to the statistics from the other side, but we have got to question those statistics because we are now wiping away the very basis for comparison. Somehow or another, when we look at those statistics we can no longer be certain that we are comparing the same things, because we read in the Barbados Economic Report for 1978 that the continuous household sample survey on which the employment statistics were posited has been discontinued because of some new need to get a new retail price index. That is how I understood the Barbados Economic Report, they were unable to carry out the normal continuous survey because they were put to work on some project for getting the basis for a new retail price index. It is very convenient that that should happen at this particular time.

So we have this unreliability in the statistics, and when way back in the 1970's the Democratic Labour Party projected the goal that full employment would be the objective to which the Democratic Labour Party would work, and then when that particular objective was adumbrated, the fuel crisis and those tragic years 1973 to 1975 came and the march towards substantial reduction in the rate of unemployment was hindered, but I will get back to the years 1973 to 1975 because they are basic to the particular analysis that I am giving.

Anyhow, whatever the figure is we welcome from this side any reduction in the level of unemployment, we note that the statutory corporations have reached their target of 8% - I believe the target was 8% growth in employment - we note with regret that those persons who have been dismissed from some of those statutory corporations have not benefited from the increase in employment, and we would have thought that the first persons who would have benefited from this increase in employment in the statutory corporations and other Government agencies would have been those persons who have been so cruelly deprived of their jobs by a Government that was unconcerned at that particular time.

4.05 p.m.

So we will leave that particular matter and let it rest at that point.

As far as inflation is concerned, I believe it was one of the great economists who defined inflation as too much money chasing too few goods. We can also define inflation as a sustained rise in the general level of prices, and what we have seen in this country since September 1976 when the Great Combination assumed the reins of Government is this precise happening, a sustained rise in the general level of prices. Food and beverages have gone up by 23%, housing by 22%, household furnishing by 16%, medical and personal care by 38%, and education, recreation and miscellaneous items by 25%. That is the sustained rise in the general level of prices, and I know that no one could be pleased of such an overall increase of 25% since September 1976 when the Barbados Labour Party Government took over the responsibility to control the cost of living in order that each dollar could go further. We have to ensure that each dollar we earn can go as far as possible, but when we have an inexorable rise in the cost of living it means the value of the dollar inexorably falls as well, and that is what is happening. The cost of living has gone up by 25%, and I am charging that the value of the dollar in terms of what it was has fallen by almost 17 cents in the two and a half years that the Barbados Labour Party has been responsible for the administration of this country. The Barbados dollar is now worth something like 83 cents since the Barbados Labour Party came into power. This is a fall in the value of the dollar and it means that what the dollar could buy formerly it can no longer buy. Mr. Speaker this is not a matter that gives us any comfort. We are concerned about it, and I call upon the Prime Minister and Minister of Finance and all those economic Ministers over there to use their influence to try to arrest this inexorable fall in the value of the Barbados dollar and the goods and services it can buy.

This Budget is really laying the groundwork for 1981. It is a pre-election Budget, and I have a feeling that before they leave office the Barbados dollar in terms of its purchasing power may be worth only some 65 cents or so, a problem which will be left for us over here, when we capture the Government, to correct the financial mismanagement as far as that particular matter is concerned.

As far as economic growth is concerned one of the major factors relates to the Gross Domestic Product, the current market value of the total goods and services produced in this country. And I would like to reject one of the pet theories that the Government front bench likes to put forward to the people of this country that somehow or other there was no growth in this country during the 1970's, between 1973 and 1976 when the Barbados Labour Party came into power. I

have some statistics and I am saying that in 1974 the Gross Domestic Product when corrected by the implicit price deflator — I believe the hon. member for St. Michael West might understand what I am talking about — would be something like \$640.4 million. For 1975 there was a fall to about \$630.7 million, which represented a fall of 1.6%; but in 1976 there was an upward surge again to \$667.6 million, that is a growth of 4.1%. And it must be remembered that the Democratic Labour Party was in control of the affairs of this country for the greater part of 1976, and if you blame us for anything in 1976, then you must also give us the praise for any increase in the Gross Domestic Product which may have taken place in that year. So we had a 4.1% growth for 1976 and a growth of some 2.3% in 1977 and 3% in 1978.

Now I want to deal with a basic fallacy in the presentation of the Minister of Finance. Implicit in his presentation has been comparison between the years 1976 to 1978 and the years 1973 to 1975 I am submitting that such a comparison is grossly unfair, and statistically it is bad business and should not go unchallenged. The years 1973 to 1975 are unique not only in the economic history of this country but of the world. It was the time when we had the combined factors of inflation, the quadrupling of oil prices, and you had the cost of manufactured goods going up substantially and the cost of freight and shipping going up, putting all countries — especially developing countries — at a great disadvantage. It is true that we had inflation in the world before. If we go back to Alexander the Great, when he conquered Persia and moved his gold into Greece, it caused an inflation rate in the world at that time.

4.15 p.m.

When Caesar Augustus — I am sure that the member for St. George South would be familiar with these matters; but in these things he has to learn from the member for St. Michael South Central, who, I believe, was a more distinguished scholar than he was. When Caesar Augustus about 30 B.C. introduced gold into the coinage of Rome, a rapid rate of inflation occurred; but however much we go into history — and I can also deal with the period of Henry VIII and his son by Jane Seymour — Edward VI, they debased the coinage during the period 1541 to 1550; and there was rampant inflation in Britain at that time.

There are many examples of this, but as far as the modern period is concerned there has not been anything like it in recent economic history as what took place between the years 1973 and 1975. So therefore, to compare like with unlike is bad mathematically and bad statistically; and I think that the Minister of Finance

should be ashamed of comparing growth between 1973 and 1975 and the period 1976-78.

Mr. SPEAKER: The hon. member has three minutes to wind up.

Mr. SANDIFORD: Yes, Sir. I will wind up in three minutes. In the three minutes I have left, I would like to puncture some of the arguments about water rates in this country. I would like finally to lay this matter to rest. We were told that water rates were not increased between the period 1954 and 1974. We were told that they were increased four-fold. We were told by the Minister of Finance that is a period of some 20 years; but this Barbados Labour Party Government has been in power for just 2½ years and in that period of time certain charges of water rates have gone up by almost 92 per cent. That is the charge, but in so far as the BLP is concerned if they do not wish to build the sewerage scheme for Bridgetown, they should stop hiding behind the coat tails of the Democratic Labour Party and take full responsibility for it or cancel the scheme.

They could have done that in 1976. They cancelled the agreement in relation to the North Point. They are supposed to have cancelled the agreement in relation to the Spring Hall Development Project — although I heard by some little dog dance that it is now being called the Friendship Project. They cancelled the Sales Tax, although we still have the Restaurant Sales Tax; and perhaps they gather more money from that than they did from the general Sales Tax. They revoked other things as well. So do not hide behind that matter. It is your responsibility and your project, and you are charged to carry out a study for a gradual increase in the water rates by 1990.

Mr. SPEAKER: By 1979. Please continue.

Mr. SANDIFORD: Yes, Sir. By 1979. So they have to deal with that particular charge. It is their responsibility, Mr. Speaker, their responsibility. (*Cheers*).

Hon. L. R. TULL: Mr. Speaker, one of the interesting things about debating after the hon. member for St. Michael South is that he gives so much. I notice that the hon. member for St. Michael South Central has left the Chamber. I regret that, because I had a few things to tell him.

Mr. SPEAKER: It is his privilege.

Hon. L. R. TULL: Yes, Sir, and it is my privilege to refer to it. As I was saying, one thing about debating after the hon. member for St. Michael South is that he read a long record of what appears in the Encyclopaedia Britannica and one wonders what is the point of continuing the debate. My scholarship to which he referred, and he referred to it in relation to that of the

hon. member who has just left the Chamber, always told me plagiarism is not for the type of scholar that I believe I am. I have once in this Chamber heard the hon. member for St. Michael South speak at great length on issues and when I go home and check the Encyclopaedia Britannica it is there word for word and paragraph for paragraph.

I want, Mr. Speaker, to advert to a number of criticisms made by members on the other side before I go into the substantive parts of the Budget. This Budget has been characterised by members on the other side as hand outs, rebates, give aways, concessions and largesse in the taxation, and he made a lot of niggling and carping criticisms. My question to the Opposition is, are they seriously criticising the Minister of Finance for showing largesse to the people of this country? Are they seriously criticising the Minister of Finance for giving the people of this country rebates from taxes, handouts as they call them and concessions, because that is the sole thrust of all that they have been saying on that side in this debate.

The hon. member for St. Michael South made reference to something in the Nation about DLP horse out front. I wonder if the Minister of Finance is now to answer that. I would like the hon. member to know that on this side there is a creole called Floating Mohammed that always came from behind and won. (*Cheers*). The hon. member for St. Michael South has given a long story of full employment, although I know of no country on earth that has full employment. I know that it was promised in 1973 by the then Prime Minister and Minister of Finance, the hon. member for St. John who promised that there will be full employment in Barbados by 1976.

I am surprised to see someone as intelligent as the hon. member for St. Michael South get up and give some type of support to that wild and irresponsible statement at the time; and he gives you a long story about what is a budget. He tells us that a Budget is to plan for your expenses and revenue, and what are the goals of the Ministry of Finance to have full employment, stable growth, stable prices and all of that. That suits the hon. member for St. Michael South in the role that he now plays as a Tutor in Economics at the Barbados Community College. It does not however answer the Budgetary Proposals of 1979; and I want to take a look at some of these proposals, Mr. Speaker.

It is an undoubted fact that the Budget of 1979 is a success for the Minister of Finance and this Government. It is a success for Barbados; but it is important to look at the Budget against the background of what came before it. Despite the use of figures — and everybody knows that it is a truism that figures and statistics can prove almost anything you want to prove.

When I heard the hon. member who succeeded me rattling off a lot of figures you could not understand what he meant or how he arrived at them.
4.25 p.m.

It is possible for anybody to use figures to arrive at any conclusion they want to arrive at, but what is a commendable and incontestable fact is that in 1974-75 there was zero economic growth in this country, and further in 1974 and 1975 there was double digit inflation in Barbados. Now the hon. member gave a story of 25% inflation since September, 1976. Inflation in Barbados in 1974 was 38.9%; in 1975 inflation was 20.3%, and that gives me a total of 59.2% in 1974-75, in two years. Mr. Speaker, and the hon. member has got the effrontery to come in here this afternoon and say that the inflation rate was 25% over two years and nine months. That is why I say you should be selective in your use of figures to prove anything you want to prove.

Since 1976, Mr. Speaker, this Government has been able to have three successive years of expansion of the economy. After the zero growth and double digit inflation of 1974-75, what do you have for the three years after that? We now have the Budget lifted out of a deficit, you hear that the balance of payments has improved, you hear that foreign reserves are up, you hear that unemployment has fallen, you hear that corporate profits are rising, you hear that economic activity is strong, and two days ago you heard the Prime Minister say that taxes are down. Well it is about time that hon. members on the other side realise the weakness of their cause. Any of us who is accustomed to public debating knows that when your opponent starts off with a very strong case, it brings out one or two things. You are either with your backs to the wall and show your true greatness, and we have not seen that yet from any of the other members who have spoken on the other side, or you are so over-powered and overwhelmed by the strength and the case put up by your opponent that you buckle at the knees and give a lot of mumbo-jumbo, and that is what we have seen here from hon. members on the other side.

The hon. Leader of the Opposition, the hon. member for St. John rambled on for two hours yesterday, and in his verbal ramblings he made one or two very inconsequential points, but what I would have liked to hear from the hon. member for St. John especially at the point in which he said that these debates are not esoterica, fantastic trips for the insiders, but these things are factual situations for the understanding for the ordinary person in Barbados... he says that the debate should be free from drama, and believe me, Mr. Speaker, we on this side feel more strongly about that than they, that this debate should have been free drama. He said there should be no posturing and I think he said no self-adulation, although he proceeded then to indulge in the latest excesses of self-adulation that I have seen of anybody

in this House by saying that modern history in Barbados started around 1961 and that he was the first Minister of Finance of this country and what he did in those golden days of 1961 to 1970. Immediately after he had said in this Chamber that this was not an exercise of self-adulation. He went on and gave a most bizarre display of self-adulation that I have ever seen in the House.

Mr. Speaker, I want to deal with an aspect of this debate that I believe has been untouched so far. I do not want to cover a lot of ground that has been covered, and I in my capacity of Minister of Education and Culture should like to draw into this debate for the first time the importance of education and training as a component in national development. You heard a lot about balance of payments, foreign reserves and employment, but I am submitting that it is imperative that the educational component be highlighted in national development, and I will give some idea of what I am talking about. I heard earlier in the debate today that already there is a shortage of skilled labourers in Barbados to match the current construction boom in this country. I understand that a number of companies have been approaching the Industrial Development Corporation with a view to setting up business in Barbados, but they are hampered for the moment because of a lack of trained manpower in this country, and I am saying, Mr. Speaker, that it is the duty of this Government to correct some of the defects inherited when it took over the administration of this country. There cannot be national development of any sort, whether it is economic development, social development or otherwise, unless there is a careful study of the manpower needs of this country, and there is a harmonisation of policies between the planners in this country and people in education, people in labour and people in industry with a view to training and preparing manpower to meet the demands that are being made in an increasing industrial age. But what is happening now? This Government, conscious of that fact has negotiated a loan from the World Bank to put a technical and vocational components in secondary education in Barbados, and furthermore they have invested from that money borrowed from the World Bank a large portion in the Barbados Institute of Management and Productivity for on the job training for people in industrial concerns, 1,200 a year and also 480 people at the middle management level. That is what the Government of Barbados is doing in that regard. But the Government of Barbados realised also that too heavy a slant has been put on literary education in this country in the past, and therefore, Mr. Speaker, we are now trying to divert the thrust towards science and technology in general.

I have here with me, Mr. Speaker, an agreement that was signed between the Government of Barbados

and UNESCO only recently, and in the area of Science and Technology, the Government of Barbados has submitted that the development of alternative sources of energy for application to the production of bio-gas from animal waste on the scale of the small farm in the village is important in our development. We have submitted that it is necessary for us to do studies at this stage on the integrated development of windmill technology with special emphasis on the pumping of water. We, Mr. Speaker, in pursuance of this technological direction which we have taken have also high-lighted the need for monitoring of the effectiveness of reflected gas as an energy-conserving mechanism in this country.

Now I mentioned these things to tie them in with what the Prime Minister and Minister of Finance said earlier in relation to conservation and indeed for a new thrust in our education for industrial development and indeed to bring our educational system more in line with the needs of the concept of educational worth being one and the same thing.

4.35 p.m.

Mr. Speaker, I want before I move from this question of Education to point to the National Training Authority. You have heard about the National Training Board and the Minister of Labour, Senator Don Blackman, has been mentioning it in the last two weeks and I am saying, Mr. Speaker, that in 1977 at a speech delivered at one of the many functions I have to attend that the whole idea of a National Training Authority was moded for the first time and at the moment the Ministry of Labour, the Ministry of Education and the Planning Division of the Ministry of Finance and Planning are working in harness in the development of this authority. In conjunction with it also is a new Apprenticeship Scheme that will meet some of the needs which we have envisaged for the development of industry in this country.

I believe, Mr. Speaker, Sir, that education ought to operate in close harness with the technical and administrative requirements of this country and it is time that we begin to realise that education must take its place in the overall integrated and co-ordinated scheme of social development in this country. It is for those reasons, as I said, that we have a new thrust towards functional and technical education.

Now one hon. member yesterday afternoon spoke very eloquently about productivity. Now I am aware that in the United States despite some of the strictures of the Opposition that the inflation rate in the United States was the second highest in any one year for the last 30 years. Now we are getting criticised. The mighty United States has had a rate of inflation of around 10%. I believe it was 12% in 1974 which was the highest in the last 30 years and I

understand it is now around 12% and that is the United States and we are being knocked in Barbados for an inflation rate of 9.5%.

Mr. Speaker, Sir, we in this Government are being knocked by an Opposition because there is an inflation rate in Barbados of about 8% at the moment whereas in the United States it is in the vicinity of 12% and they were at the second highest of any one year in the last three decades. Do you know what they have discovered in the United States? They have discovered, Mr. Speaker, that they will never get their problem of inflation solved unless there is a serious stepping up of productivity because in the last few years in the U.S. production has been at a stand still and it is important that in making my point about education to say this that no matter how much an employee in any business in Barbados produces it has nothing to do with his zeal or enthusiasm about his job. In my view, it has far more to do with his education and training. It has far more to do with that.

I am talking now only about the particular object in which a man is turning his hand on education which is at a level that requires a man to consider that his interest and the interest of the total community are bound up and for the overall advantage of everybody in the community including himself that he must do more for what he is being paid to do. I do not think I can stress this too strongly that one of the essential roles of education in this country now is to bring home with the greatest amount of force to the needy young people to give of their maximum in whatever work they are employed to do because unless like what happened in the United States, we are going to meet some of the most savage, debilitating effects of our policy, our earnings and our standard of living because of a continually galloping inflation.

Mr. Speaker, I want, like two other hon. members, to move to an area of which I have a very intimate affection. Obviously I am talking about my constituency and welcome the Budgetary Proposals that we intend to completely electrify or give full electrification to the rural parishes in Barbados and indeed to bring water into the homes of all the people in this country, and if I must say so, I will. I believe that indeed the people of Drax Hall and the people of Gordon's Tenantry will feel satisfied that our efforts untiring and unrelenting in advocating for that cause have now been vindicated so I would like to thank the Hon. Minister of Finance for making what I consider a very useful proposal in his Budgetary Proposals for the people in many areas of this Island who are not complaining about getting the lion share of the national pie but are making

legitimate demands for what are now considered essentials in this country, water and electricity.

I want, Mr. Speaker, to speak briefly on Agriculture, representing as I do an agricultural constituency, it is incumbent on me to point out some of the matters concerning the people in the agricultural communities in Barbados and hoping for sympathetic, as I know they will get, consideration by the Minister of Finance and indeed by the whole Government in the future.

The Minister of Finance has made in his Budgetary Proposals provision for the promotion of Co-operatives and Credit Unions in this country. Now I feel strongly that for a democratic country to maximise whatever benefits there are going, that there is a great deal of scope for a certain amount of self-help and it is for this reason that I believe that Credit Unions and Co-operatives do play, and can play, and will continue to play an important part in the economic life of this country but I believe that there is also need for a tremendous conscience of educated efforts to bring out the best of people in this regard.

Self-help has its roots deep in the soil of Barbados. This is a type of society where we are our brother's keeper and therefore we do not have to work on barren ground but I do believe that it is necessary for all of us, especially the people who deal with Co-operatives, to sell the idea of self-help for the betterment of the communities and in particular the rural and agricultural communities in this country. There must be powerful incentives given by Government to enhance the whole concept of savings and investments that the proposals would promote this area. There must be powerful incentives and therefore I welcome the proposals given in this regard by the Minister of Finance in his statement this year and I am asking for continuing incentives in this area and continuing encouragement in this area not only to realise continued savings in investment for the overall good of the country but also to make the quality of life better for people in the rural areas so that the Co-operatives and Credit Unions can play an important part in their lives.

4.45 p.m.

Now, the people in the agricultural districts of Barbados have traditionally been living in very depressed conditions. It is ironic, Mr. Speaker, that people who have given so much to this country for so many years, for so many centuries the economy of this country has been carried on the backs of the agricultural workers and the people in agriculture in the rural districts of Barbados, and it amazes me that successive Governments through a number of decades, that people in the rural

districts, the people in the agricultural districts seem to get the smallest part of the national pie, and they get it after everybody else has got his and I am making an appeal in the interest of those people who have given so much, and indeed in the interest of agriculture generally, as one of the more important sectors of the economy, that there be a new thrust given by Government to development in those areas.

Mr. Speaker, I want to answer two or three matters in relation to my Ministry that were raised by other speakers. One is in respect of the School Meals Department. The hon. member for St. Philip South last evening spoke very spiritedly.

Mr. SPEAKER: The hon. member has four minutes.

Hon. L. R. TULL: Thank you, Sir. The hon. member for St. Philip South spoke very spiritedly about the quality of school meals and what is happening. Now, what has happened in the School Meals Department, as I have had to say many times before, is that there has been a lack of co-operation by many school meals workers in trying to raise the standards, but that is not the point I want to stress on this particular occasion. The World Food Programme has been the main contributor to commodities in the school meals programme and part of the agreement, as the hon. member for St. Michael South would know, was that the school meal give one-third of the nutrition required daily for children in Barbados in the primary schools. In other words, it was not a programme that would provide the total nutritional content required for a child for one day, but one-third, and there was an evaluation mission here from the World Food Programme a little over a year ago and they pointed out, under the shadow of a number of threats, that we were exceeding that component. In other words, the component in the school meal was in excess of one-third of the nutritional need of a child for one day, and unless we cut back on it they would stop the supplies to Barbados.

Now, the hon. member for St. Michael South is amazed at that, but he had a lot to do with it. In fact, he had everything to do with it. Just as he tried to bob and weave out of the sewerage project and the cost of water, he may very well try to bob and weave out of the agreement with the World Food Programme, but that was presented to me as a *fait accompli*. Let me just say also, Mr. Speaker, that I do not know despite many of the complaints made by hon. members on the other side of any fall in the quality of the school meals. Every time I hear that I get in touch with the Chief School Meals Officer and ask for a report on the school meals. One or two things are happening, either the quality is dropping and I am hearing otherwise, or

it is not dropping. I understand that they are still serving the same type of menus they were serving in the past, and that they serve hot meals three times a week and packed lunches twice a week. I know during the past year there was a problem because of a shortage of vegetables — that was for a short time during the year — but certainly nobody can lay at the door of the Ministry of Education if there is a scarcity of vegetables in Barbados, and I know that during part of the past year that has been one of the problems.

Let me deal quickly before my time is up with the question of school uniforms. The hon. member for St. John can be assured that whatever programme is finally devised for the uniform system that it will not be given *en masse* to any big producers, any big tailors in Barbados, any clothing company in Barbados to do all the work, and that the small seamstresses and tailors in Barbados will have a significant if not a complete domination of what is going, and if I may quickly in my final two minutes, Mr. Speaker.....

Mr. SPEAKER: Well, I will take one and a half minutes from your two minutes, so you have only a half of a minute.

Hon. L. R. TULL: The question of metrication. A lot has been said about metrication and the figures given by the Hon. Minister of Finance in his budget. Ever since 1973 the Government of Barbados committed itself to making this country fully metricated, and they set up committees all the way back in 1973, one of which the hon. member for St. Lucy is a member, the Education and Publicity Committee that has been making recommendations for the complete changeover to metrication in Barbados. And the then Minister of Education, the hon. member for St. Michael South, was himself very much involved in it and his Ministry; and the hon. member for St. John as Minister of Finance and Planning, who got in here yesterday and exposed his ignorance of arithmetic, freely admits that he cannot spell, he was responsible in large measure for the metrication changeover.

One final point, Mr. Speaker.

Mr. SPEAKER: One half second.

Hon. L. R. TULL: Mr. Speaker, I am grateful for your indulgence. Metrication is now taught in all schools in Barbados, and all examinations written in Barbados, both overseas examinations and local examinations, are done in metrication.

Mr. SPEAKER: The Minister has passed his examinations. The Hon. Minister of Agriculture, the hon. member for St. Andrew.

Hon. L. B. BRATHWAITE: Mr. Speaker, two days ago we heard read a document in here by the Rt. Hon. Prime Minister which can be regarded as the charter for people in Barbados, and I hope the charter for people everywhere. This document is a masterpiece, and I think that this document should be cherished and read by all people, at least within the Caribbean area, if we cannot reach all people throughout the world. No document, no matter how good it is written, and no matter how well it is conceived, can find acceptance in the hearts of all people. The Bible which we have all taken as a masterpiece of works was certainly rejected by many people, and when I heard the shadow boxing on the Opposition benches on the budgetary proposals I certainly was amazed. For example, one looked with pity and wonderment at the behaviour and the style of performance of the Hon. Leader of the Opposition. As a matter of fact, at one time I saw that he was completely lost in the wilderness.

The document as presented, and the way in which it was presented, certainly brought happiness to the hearts and minds of all people, and despite the behaviour of members of the Opposition, because they seem to think — and one member on the Government bench fell into error to say that the duty of the Opposition is to oppose — the duty of the Opposition is to oppose, yes, but to oppose constructively and intelligently. We do not expect to hear stupid opposition coming from benches that would hope and pray that they would take over the reins of Government at some future time.

In this financial statement and budgetary proposals no measure was left untouched. Quite a lot of play was made on the question of agriculture and what was left out of the budget. I am happy to say that in the programme which would be the development plan of this Government, quite a lot of things will be taken into consideration by way of agricultural incentives for the small working people in this country. Agriculture is a matter which is very dear to the hearts of members of the Labour Party, we have just heard a statement from the hon. member for St. George South who said that his constituency is an agricultural constituency. 4.55 p.m.

We have just heard statements from the hon. member for St. George South who said that his constituency is an agricultural constituency. Many of us on this side come from agricultural constituencies, and I think that the hon. member for St. Lucy will be happy to know that he is associated with a constituency of that nature, as well as your good self, Mr. Speaker. And we know that the agricultural workers and the peasant proprietors who are also agricultural workers — and I would like the term peasant proprietors stressed more often when we are talking about people in agriculture,

because they are essentially some of the backbone of the people of this country. As a matter of fact, the prosperity of this country is based upon the hard work and toil of the peasant proprietors of this island. Government is giving serious consideration to the diversification of agricultural production by a number of incentive schemes, for instance, by way of assistance in ploughing. The scheme of ploughing is not working as well as I would like and I am hoping to revamp and revitalise the scheme. I would like also to see a revitalised Extension Service in agriculture. Many persons are complaining of not getting the service they would like. We are looking very carefully into this with the hope of coming up with solutions to the problems. I have found in the Ministry of Agriculture cases where there are people with lands to be ploughed for weeks and months who have been unable to get the service done. Sometimes it is not that the equipment is not available but that people are not coming out to meet the people who have lands to be ploughed and making sure that the operators of the units are performing their duties. These are things we are giving attention to.

I do not know whether this was mentioned in the Budgetary Proposals, but the Government is considering and I hope that the sod will be turned shortly for the building of a new complex for the Barbados Marketing Corporation at Lower Estate in St. George. We hope to have there a processing plant in order to process the products which the people of this country have been producing over the years and who have found it difficult in getting a sale for or disposing of their produce. We are also looking at the question of proper marketing facilities for the produce which we would hope to have coming on stream shortly. The poultry processors, the small people I have been referring to, have been experiencing a major difficulty in getting their poultry processed, and that is the reason why the Government is giving serious consideration to a poultry processing plant at the new complex of the BMC. We are also thinking of onion drying equipment so that when we have a lot of onions we do not run into a glut problem with the consequent spoilage we had last year and the year before. We are also looking at the question of the production of a greater amount of peanuts. I do not know how many people are aware of this, but peanuts are very much consumed in Barbados — something like 40,000 pounds a week — and we can only satisfy the demand for 2 months; after that all peanuts consumed in Barbados are brought in from other areas. We would like to change that situation and reserve the currency now going abroad.

We have been doing well in terms of onions, and we have been doing well in a number of other things. For example, I remember last year in a discussion I had on the BMC, the Opposition benches made mention of the fact that our policy was wrong because there

seemed to be a glut with potatoes and yams. The reason they said that was because the price had gone down below 30 cents per pound. They had become accustomed to expect that yams and potatoes would be sold in Barbados at 70 and 80 cents per pound; so when potatoes found their level at below 30 cents per pound they thought that the world was coming to an end that this Government was doing something very wrong to bring the prices down to the range that consumers should get those products at. As a result of the enlightened policies of this Government and its attitude to agriculture, the people became interested again in the cultivation of the land, and I will give a few figures as to agricultural production over the period 1975–78.

On the question of yams, in 1975 we produced 14,373,000 pounds; in 1976 it was 12,750,000 pounds; in 1977 it was 13,000,000 pounds; and in 1978 the figure was 18,800,000 pounds.

For sweet potatoes, in 1975 production was 9,880 pounds; in 1976 the figure was 6,336,000; in 1977 the figure was 11,000,000; and in 1978 it was also 11,000,000 pounds.

As regards cabbage — this is a product which used to be very expensive, but today the price of cabbage is coming within the reach of the small man and can be had in the market places at a reasonable price; and thanks are due to the BMC and to, the present management structure of the BMC and the efficient manner in which the BMC is running things so that items are now sold to the consumers at reasonable prices there. In 1975 we produced 1,592,000 pounds of cabbages; in 1976 it was 1,360,000 pounds; in 1977 the figure was 2,160,000 pounds; and in 1978 the amount produced was 1,800,000 pounds.

Carrots — this is a product for which there is a good export market, and we are looking at the CARIFTA market — Trinidad, Guyana and Martinique. In 1975 we produced 2,264,000 pounds of carrots, in 1976 we produced 2,480,000 pounds; in 1977 the figure was 2,601,000 pounds; and in 1978 the amount was 4,000,000 pounds.

Cucumbers — cucumbers moved from 2,000,000 pounds in 1975 to 3,870,000 in 1978; and beets moved from 594,000 in 1975 to 628,000 in 1978.

String beans — 930,000 pounds in 1975 to 1,311,400 pounds in 1978.

Tomatoes moved from 979,000 pounds in 1975 to 1,600,000 pounds in 1978.

Onions — a product we have worked on very hard.

5.05 p.m.

We have had some problems with onions, and onions made a slight decline. In 1975 we produced 1,800,000. In 1978 we produced 1,638,000 pounds. Now poultry has advanced and Barbadians are today eating a lot of high protein foods. I think an investigation was carried out which revealed that the percentage of protein intake by Barbadians compared very favourably with that of some of the most advanced countries in the world and poultry, I was informed, superior even to that in the United Kingdom.

Poultry products in 1975 were 6,386,700 pounds. In 1978, it was 9,375,185 pounds; and I can tell you that there is still a great demand for poultry in this country. A lot has been said in the course of the discussion of the Budgetary Proposals. I recall very well that the Hon. Leader of the Opposition made reference to the fact that we were removing controls and giving money to the merchants in Bridgetown. I do not know what kind of analysis is this. I do not know where he got his figures from; but this is what I can tell you for the record; and I hope that when the hon. member for St. Michael South West gets up and speaks he will advert to it. Before this Government came into office, onions used to be sold at one stage at as high as \$1 a pound. The Barbados Marketing Corporation as trend setter, when we came into office we found prices high and we directed, I and my colleagues in office, and my predecessor in office insisted that the Barbados Marketing Corporation stabilised the price of onions at much cheaper than the existing price was. At that time the Barbados Marketing Corporation was selling onions at 70 cents a pound. When we came into office, as a result of our imposing controls, the prices which were between 90 cents and \$1.00 a pound dropped, in fact actually fell by half of what it was at the time.

There are a number of things which we have done. A question was asked, I think by the hon. member for St. Lucy about the Prices Commission and he referred to the question of that Commission not being in existence, or that it had not operated since 1977 or something like that. If the Minister is ultimately responsible for the fixing of the prices and we have a price control division in the Ministry, there is no point wasting time, because when you have to take action, action has to be taken. You will have to summon the Price Control Commission and you will have to get them organised for three or four days in order to get the matter fixed. If the matter can be handled by the Price Control Division — and even now when you have the Price Control Commission, it still had to depend very much upon the Price Control Division in order to pass on information to the Price Control Commission in order to deal with the prices. Then they go ultimately to the Minister who is responsible for making the decision.

So in truth and in fact the Price Control Commission was virtually a waste of time. I want to assure the hon. member that it is neither dead nor alive. It is just there in limbo. That is the position as far as it is concerned; but we do need price controls here. They are necessary; and when they are not necessary we will not have them. We do not believe in a lot of import licences because we do not see too much need for them. We have an import review committee and we sit down occasionally to look at a number of items that come into this country, and we make sure that nothing goes wrong within this country by the way of unfair advantage.

In the past we had a situation whereby the Minister responsible for imports and exports and price controls had unlimited power to do what he liked. Nowadays the situation is not so. It is completely in the reverse. Matters are carefully looked at. Take the question of corned beef — and I want to advert to that briefly. Before corned beef was taken off licence or control — and I want to say at the outset — the price of beef has gone up all over the world by around 100%. Beef is no longer cheap, and the type of corned beef that comes into Barbados and most of the other West Indian islands is to me the worst type of corned beef to come in.

If I had my way, and I have said this repeatedly to people, I would ban corned beef from coming to Barbados; but people like corned beef, I hear, and they would be annoyed if we banned it; but sometimes you have to save people from themselves. I heard the hon. member for St. Lucy today making a noise about soft drinks. There is nothing like customer resistance. If the prices of soft drinks are too high, a lot of limes are around the place. I have plenty at my house. Make lemonade and give the children some. It is better for their health; and that is a good alternative if you want to do that. The people who want soft drinks, let them buy soft drinks; and I can tell you that soft drinks are much consumed by the foreigners who come here. Why should we subsidise them? My view is that you do not need to.

Now, Sir, when corned beef was being controlled by us, corned beef was being sold at over \$2 a tin at one stage. We are the persons who brought the price down to \$1.60 a tin. This Labour Party brought it down. When the importers of corned beef made representations to me that the price was to go up to \$1.96 — those were the figures that they put up, and they said that those figures would be only temporary, but there would be a sharp rise again. I said there is no way how I could make an order then for one price and within a month an order for another price. There was no way that I was going to do this. I would prefer to make one order if at all I am

making a price; so that when the final price came to me I refused to reduce the price, so that when the final prices came to me it was for a controlled price of \$2.36. I said by no means could I do that. I said that if I imposed a controlled price of \$2.36, the impression would be conveyed that this Government wants people to pay that price for corned beef at a time when the price of beef was around \$1.90 per pound or less, but a 12oz tin of corned beef which could ptomaine you, they were asking me to give a price of \$2.36 a tin.

I said I did not think that we should allow corned beef to come in. I followed this thing very carefully, and after very deep thought and consideration I came to the conclusion that there was no way we could control it at this price. We would leave the price free. We would decontrol it. We would allow it to find its level and let the people make their own decision as to whether or not they would want this type of corned beef; and in a statement which I made to the public, I made my position abundantly clear; and I said that I did not think that corned beef was worth the price which the people were asked to pay for it. I believe that the Government was right and my decision was a correct one, because as a result of this decision which I took, there are stores in Bridgetown that are selling corned beef at prices around \$2, some for \$2.02, some at \$2.04 and varying prices like these.

5.15 p.m.

I believe in areas as far as Pie Corner, and I will go as far as to say Shorey Village as well you might probably get it, and I suppose passing on through Shorey Village from Pie Corner and going to Graveyard you would have to go through Boscobelle where Your Honour would have some knowledge of the terrain and you might find the price a little higher than what you will get it at in the City. Now, Mr. Speaker, these are conditions which you face and these are situations which you come up with day after day and you have got to make decisions.

I do not want to trespass on my friend the Hon. Deputy Prime Minister, but take the question as mentioned in the Budgetary Proposals of petroleum. Since last year the petroleum dealers in this Island were asking for an increase in the price of petroleum and this Government just refused to budge on this question, and I can tell you a very rude fellow who was the Deputy President of Esso wrote me a very rude letter. Mr. Speaker, when the press interviewed me on the question of an increase in petrol, and I said that we were not in any hurry and that when the Government was ready it would make its own decision, as a result of that interview.....and quite rightly the Government would make its decision at the right time, this is not a Government that you can rush, we certainly are unlike the Government that was in here a few years ago, we are a Government of spine, that was a Government of all

jelly, but we have the courage and we will stand up and say exactly how we feel on all matters, and we told them we would make a decision when the time came and everybody knew that prices were going up all over the world and that the time would inevitably come when a decision would have to be made that the price of petrol would go up. We did not think that the price of petrol should go up at the particular time when they thought they were twisting our arm, because we made it clear at that time that our arm could not be twisted, and this is the position as it is.

Now in these proposals which have been put forward here, mention was made by the hon. member for St. Philip South about the question, and I thought my colleague the hon. member for St. Joseph would have adverted to this specifically, that old age pensioners were given permission to travel on the buses years ago. Mr. Speaker, there was no rule, there was no directive to the Transport Board from the Ministry of Communications and Works at any time that old age pensioners should drive freely on the Transport Board buses. It was a question of if you saw them with their old age pension card and the conductor was sympathetic to an old woman or an old man they would allow them to get in, but they were not given it as a right. Now they are travelling between the hours as specified and spelt out, and this is a charter for the people of Barbados that there would be no question of a conductor telling them they cannot get on; they would be allowed to get on. It was never so. No Minister has ever done that.

The hon. member for St. Lucy talked about the question of increased bus fares. He knows quite well...

Mr. SPEAKER: The Hon. Minister has just three minutes in which to wind up.

Hon. L. B. BRATHWAITE: Thank you very much, Mr. Speaker. The hon. member for St. Lucy knows very well that there was a proposal within the last administration to raise the bus fares to something like 70 cents and there was going to be three stages, and it was because of the insistence of the hon. member for St. Michael North Central when he threatened to resign on the issue of the bus fares and the Democratic Labour Party Government knew it was a very critical issue on which to fight it that they decided to bend their knees like jelly fish and accept what he dictated to them. They did not agree to any 25 cents because they were not interested in any poor people in Pie Corner or Graveyard. They did it because they thought they would have got back in power as they did a lot of things, but the people of this country, Mr. Speaker, will not be guided by any palliatives, by any election gimmicks.

If there is one thing I am happy about and am a proud man about this afternoon, it is that this Government has not waited until 1981 to introduce measures to relieve the people in this country from their problems. They have got them at this time and nobody can challenge them for political dishonesty. We have pledged in our manifesto political honesty and integrity in public life.

Mr. SPEAKER: And the Hon. Minister can stop at that.

Hon. L. B. BRATHWAITE: And the challenges of the Prime Minister as produced in this document is what we have brought into public life, Mr. Speaker.

Mr. SPEAKER: The hon. member for St. James, the Hon. Minister of Housing.

Hon. L. S. CRAIG: Mr. Speaker, Sunday is recognised as the day of peace and rest. Many of us spend it in various forms. The more affluent may go horseback riding, yachting, light aeroplane flying or scuba diving. The less fortunate may take to basking in the sun, playing a game of dominoes or the national game of cricket, football or athletics of some form. I enjoy some of these things, but not in the affluent class. But in respect of that one day I always reserve one hour for spiritual reflection, whether I lounge in a chair at home or whether I may be driving around looking at the rolling hills, or some of the outstanding housing projects under this administration, I would always turn my radio on and listen to the spiritual thinking of the spiritual leaders, and Sir, one particular sermon came to mind either late last year or early this year when the Dean of the St. Michael's Cathedral, Dean Harold Critchlow in one of his soul searching speeches warned never to pull down those former leaders of your country, and I have adhered to that spiritual advice. But sometimes one must examine those former leaders for what they are worth, and though I am still prepared to adhere to this spiritual warning, only a few hours ago the hon. member for St. John and the former Chancellor of the Exchequer of this country or Minister of Finance, call him what you may, presented a very, very sorry sight in presenting a very sorry reply, for I was even more astounded because of my partisan thinking politically. I thought he was making a bad speech, but the Advocate this morning from two hours of replying to the Budgetary Proposals laid in this House by the Minister of Finance could only find to comment about the remarks made by the former Minister of Finance by saying that he praised the teachers for their stand. That is the only thing of any essence for two hours.

5.25 p.m.

That is the only thing of any importance for two hours that the former Minister of Finance could say. In

one of the national papers, the only thing that they could find to comment on is to praise him and to say that he praised the Teachers for their stand during their problem. At no time did they make the comment that he said that you should have done or you should not have done so I came to the conclusion and told myself "The day thou gavest Lord is ending".

Sir, that reminded me of the Guyanese in their second innings. They started badly and they ended badly. My colleague referred to him as the new father of the House, that is the former Minister of Finance. The member for St. Philip South attempted to raise the stops out of experience. He tried to raise the stops of the Opposition in what you would call a grass-roots reply and touch on some very sensitive points and then today, the spectacle of the Leader of the Labour College in this country, the Headmaster.

Now when a Headmaster can get up before a National audience, Mr. Speaker, and distort something either knowing it is true or too ignorant to understand what is in it. He said, Mr. Speaker, that the Economic Report, which I have in my hand, could not stand the test by anyone on close scrutiny because it did not give figures for the labour force and he, Mr. Speaker, the hon. member for St. Lucy, said that he went through it page by page and he saw absolutely nothing mentioned in it about the labour figures.

Sir, please bear with me. The Report, 1978, presented to the Legislature by the Minister of Finance and Planning, April 1979, page 15, the caption, Employment, and I would not like to take up the time of the House with reading it in great lengths neither am I going to pretend that I cannot spell or that I cannot add. I can spell and I can add, maybe not as well as some. The figures quoted reveal firstly that the percentage of adults in the labour force has remained reasonably constant between 1977 and 1978 varying from 60% to 63%. Based on the end of the year Population Estimates, the labour force itself in the two years varied between approximately 98,700 and 103,700 persons. Of those a maximum of approximately 58,300 were male and 46,000 were female.

Now, Sir, I do not want to go into the percentages and so on. The point I am making is that the Headmaster of the Labour College, the hon. member for St. Lucy, said on the floor of this House that this document cannot stand the test and under careful scrutiny he himself went through it page by page and nothing in it he said made mention of the labour statistics. Now tell me, Sir, you see what you get when you have these novices at the Labour College and when you hear that they do not get a good response it is not because they are not willing but it is because the Principal has become a Doctor of distortions. That is what he has become. You cannot really go to the

Labour College saying that I am happy to know that I have a Head Teacher that I know would guide me along the true and narrow path. We see you are not down in St. Lucy where you tell people things and they cannot answer you back. I am telling you that you are not as nice as you think you are.

Mr. SPEAKER: I know you will address the Chair.

Hon. L. S. CRAIG: Yes, Sir. I just wanted to make that one point about the hon. member. With the very limited time I listened very carefully and heard a lot spoken about this Budget. Now the *Advocate* has been accused of not being fair and that they are unfair. Let us presume that they are unfair. Now the *Advocate* today under this heading "Adams Produces 'Relief Budget'" and at the end this is what it says, Sir, "All this apart, at a time when economic buffeting has given few people, the world over", not Barbados, or the Caribbean, but the world over "very little to shout about, Mr. Adams has managed to come up with a Budget that whatever might be its few shortcomings, has given Barbadians that much more hope in facing an economic future that must bring both anticipated and unexpected economic problems".

Another National Newspaper says.....

Mr. SPEAKER: I do not want to restrict the hon. member but our Standing Orders 28(1) states:

"A Member may not read his speech, but he may read extracts from books or papers other than newspapers in support of his argument".

Hon. L. S. CRAIG: Alright, Sir. In an abstract from a paper Sir, it says:

"Mr. Adams has done well. Such a performance would however have been impossible without the very active part played by an intelligent and informed populace and it is for that reason this Budget can be called the People's Budget."

It did not say the commercial people, nor the little man, but the People's Budget and that term is gladly used in Socialist countries so it therefore shows you that this Party has come about with what you could consider as a Socialist Budget for the people in this country. What more can you ask for. In one of the newspapers I recall that the Opposition said that they are going to continue their debate on the Budget in Independent Square. Not in here. Now in Independent Square you can say anything at all but it is in here when you come before a national audience that you show up your Parliamentary ignorance and economic madness and nothingness in here. That is what they are capable of doing in here.

5.35 p.m.

From the time the Opposition took office all I have been hearing from the hon. member for St. Michael South is that soon there is going to be an election. I would suggest that he should be one of the members on the Opposition benches who should not be happy about an election because I have told him that Dr. Blackman has asked me to say hello to him; I have told him that already. I have offered the hon. member for St. Michael South, when I was Minister of Housing, that if there were any people whom he knew in his constituency to be in need of housing to let them come to me and I would try to help them; but he told me no, he did not want any help from me. So he wanted no houses for the people in his constituency. That is a very unfortunate state of affairs. I would have thought that, hon. members on the other side would want to approach the Minister of Agriculture or the Minister of Health or the Minister of Communications and Works and say to them "There is a problem in my district, can you help?" But the hon. member for St. Michael South is so sure of himself that he says no; he doesn't need any help.

Mr. Speaker, I want to deal with the bus fares for a moment. I recall that when I came into Parliament bus fares went as high as 65 cents. At the time when bus fares were 65 cents we were not confronted with any oil prices, but that Government of love and sympathy had them at 65 cents. Coming on to 1973-74 when the entire world had to face up to the OPEC countries and their oil prices, the then administration in 1976 reduced the bus fares from 65 cents to 25 cents. I believe that Barbados was the only country in the world that in the face of a spiralling fuel bill reduced its transport fees, reducing bus fares from 65 cents to 25 cents. The big rich United States of America — the hon. member for St. Michael West, the Deputy Leader of the Opposition — of course we are not really sure who is, but the Deputy Leader for now. I know you feel smart but I do not really mean it; I only told you what you have told me you are, the Deputy Leader of the Opposition. The Deputy Leader of the Opposition lived in the United States, and way back in 1961 a token cost 15 cents; today it costs 60 cents, which is Bds. \$1.20. In our little way we have been able to keep ours down to 45 cents, but it costs Bds. \$1.20 to get on a train in the United States of America. But here you are howling that we have raised bus fares, when the entire country is aware of the fact that the oil producing countries are responsible for the price increase in bus fares. I think the Prime Minister and my colleagues drew to your attention that in the United States inflation is running at something like 12%. They call over there the "Big A", the land of hope and opportunity, but in little Barbados the genius of this Prime Minister has been able to control inflation.

Let me, Mr. Speaker, move into the field of housing. Maybe I don't like to sing my own praises and therefore I will give the credit to the Chairman of the National Housing Corporation. When this Government

came into power in 1976 the overdraft of the Central Bank was exhausted, \$18 million, and that administration over there had written cheques to the tune of \$6 million. That is how we started. Civil Servants went to the bank and could not get their cheques. Stores could not be paid, and it was left to the Prime Minister to fish about to find the money, and from there onwards he had to take very stringent measures to give hope and sanity to the economy of this country. People being used to a certain way of life, this Government cannot change the attitudes of people in five years. I have told the Prime Minister this. You set a pattern which the people said they did not like after fifteen years and they got rid of you. When they say that they are no longer interested in us we must bow to their whims and fancies. The people are the supreme bosses of the country. But what did we find? In the Ministry of Housing the sum of \$6 million outstanding to people in Bridgetown, so that we could not even go and ask to have a foundation dug; we could not go to a lumber company. The Henderson Report said it was chaotic — Jack Henderson, an expert who came down here from the OAS. And Senator Mapp had to start on that long and arduous journey of building houses after we had promised in our Manifesto, as we did not know things were so bad. We knew they were bad, but not that bad. The Prime Minister then had to feel around and make certain restrictions which the people were not accustomed to — the four day week was one of the sacrifices that some people paid. What we could have done, as you did when things were good, was to dismiss them. That is what you did. You used to send home 700 and 800 when things were good with you. When things were bad with us we tried to let everybody get a grog. But it backfired. And then came the madman of politics who found himself in a certain place. Power hungry he was. Every available tool at their disposal was used. We accepted that, but we know that somewhere along the road we had a person to charter the course, not for self aggrandizement but for the people of this country, and that is why today the newspaper can hail the proposals as the people's Budget. But the credit must not be given only to the Minister of Finance or to my colleagues on the front bench; credit must be given to Barbadians who stood the test of time and who made the sacrifices so that today they can receive the necessary incentives, the concessions or the "goodies" as you call them. If a man makes a sacrifice when the going is rough, he must be part and parcel of it when the going gets better; and that is what the Prime Minister has done.

I would also like to make mention, Mr. Speaker, of the old age pensions. Now you can safely say that this is a matter dear to my heart. But before doing so, let me just make a final point on housing. We have been able to build houses, not as many as our Manifesto suggested, to rent and to sell to people. We have been able to correct the problems you left at Oxnards when you allowed the people to use the

houses and told them it was going to cost one price and you did not include the cost of the land. When we came into power we had to say that the land has to go with the house. The people said that they did not know that; that they were never told that. All these problems we were faced with, but we rectified them and we are now on what we call the journey to proper housing, with proper management by a proper Government. And, Sir, let me reveal that it is the first time in the history of National Corporations, and more so in Barbados, that housing construction has been going on at five work sites at the same time. Go to Wotton in Christ Church. Though deep the foundation we have been able to use plans maximising timber and stone. I am glorified when driving around there on evenings. Go and see the terrace blocks that they live in. Go to Phase 1 in St. James and see the handing over on June 13. And in Phase 2 in St. James we have started to build 104 houses. At Ferniehurst in Black Rock there are 125 houses with foundations already dug and actual building started. And there is our land bank at Bonnetts and at Bagatelle. And to crown it all this Party stands by what it pledged; the first housing area to be developed in the City of Bridgetown will start in July with a swimming pool for children and old folks to go and swim in the evenings at St. Cecelia.

5.45 p.m.

That is how we operate. We do not only build houses. I am not a contractor. We plan for the people's welfare and to raise the quality of life in housing. That is my job. It is not to build houses. They used to build. They are contractors they only know about bags of cement. I am not a bag of cement Minister. I am a planner. The workmen at the National Housing Corporation must wonder where they are going next to work. I can say now that when they are finished Stony Hurst, they are going to Bonnetts in Brittons Hill.

Mr. SPEAKER: Try to pass through St. Peter in another three minutes. (*Laughter*).

Hon. L. S. CRAIG: Mr. Speaker, it would be impossible for me to pass through St. Peter in three minutes unless I had a Concorde; but knowing me as well as you do, I am going to pass the old age pensioners now, Sir. Mr. Speaker, take 1962. This was a Government that loves the old people, the champion of old people. The member for St. Michael South Central overnight championed them up at the A.M.E. Church. In 1962 the old people received \$2.15 within a revenue of \$28 million. In 1964 that former Government, the lover of the old age pensioners gave them a very sizeable raise. They moved from \$2.15 to \$2.40 — a 25 cents raise 12½ cents (U.S.). Things got better in 1966. While the country's revenue stood at \$43 million, they treated them very well. They move them from \$2.40 to \$3.00 — 60 cents more, 30 cents (U.S.). In 1969 when I took up the assault — the battle went on.

Mr. SPEAKER: You have one minute.

Hon. L. S. CRAIG: In 1969, with \$75 million in revenue, the old age pensioners got another \$1.40 increase.

I think that I have to wind up, Sir. Let me tell you how they worked between 1962 and 1976, they gave the old age people of this country a very, very handsome part of the country's revenue — \$23 million in 1962 to \$216 million; and with all these years added up they gave them \$7. Now this present Government in 29 months this present Government, this "bad" Government gave old age pensioners \$7 in 29 months. Now, Mr. Speaker, finally, how can one examine the Prime Minister? As a man who has managed the country's affairs very well. I can only say, Mr. Speaker, with a degree of great feeling and in simple words, Mr. Prime Minister, how great thou art.

Dr. HAYNES: Mr. Speaker, this is the first occasion that I have participated in a debate on the Budget; and indeed I am very pleased to be able to stand here in this Hon. House this evening and take some note that over the past nine months by my untiring efforts and the untiring efforts of the party of which I am a member, that we have been able to bring enough pressure to bear on the present administration, not only in getting rid of the curse of daylight saving time but also a refund of some of the excess taxes which they have garnered from the pockets of the masses of the people of this country. I want to make it absolutely clear from the very beginning.

The \$11 million now being returned to the people of Barbados represents approximately 30% of the excess taxes which have been imposed on this country, and unnecessarily so, when you look at what would have been the Government's normal requirements to meet the wages and salaries of public servants and other obligations of Government. Mr. Speaker, it does not represent an increase in revenue which is consequential on any significant growth in the economy of this country; but it is purely a matter of ill devised taxation, especially over the last two years. I have no intention, Mr. Speaker, of looking at this Budget other than in terms of the global economic position facing this country. As I see it, it is a tax refund as a continuation in a slightly ameliorated form of the policies instituted in 1977 and later in 1978. I see no change in policy direction.

Now, Mr. Speaker, the people of Barbados, submerged in an ocean of rhetoric, must have come to the conclusion that the economy of this country has been performing miracles. An examination of the real growth of the economy in this community reveals that the estimate of 5% which the Hon. Minister of Finance indicated in his Budget of 1978 as being the level of real output in 1976 turned out to be 4%.
5.55 p.m.

That is attributable to the work of the Democratic Labour Party. If they wish to attribute it to the activities of the last four months of 1976, then, Mr. Speaker, there are other consequential arguments that they must accept.

In 1977, and I noted last night that the hon. member for St. Philip North fell into this trap, in the Economic Report presented to this House the hon. member for St. Thomas indicated that the real growth in output in the previous year was 5%. In fact, Sir, it turned out to be 2.4% less than it was in 1976, and for the year 1978, and I prefer to go by the Central Bank figures in these matters, it was 3%. In other words, in no year since the Barbados Labour Party came to power has this country experienced an increase in real growth in output higher than in 1976.

Mr. Speaker, I should like to pay some attention now to another area of great concern. Many members on this side have drawn the attention of this nation to the serious problems relating to statistics for unemployment in Barbados. This is a Government, Mr. Speaker, that can find money to set up a commission to tell a Christian community whether gambling is wrong or right, can find money to set up a commission to tell them that the previous Democratic Labour Party was not a corrupt Government, can find money to do surveys on D.S.T. and refuse to publish the methodology etc., but, Mr. Speaker, they cannot find money to do a proper study of the unemployment problems in this country, and we find here in 1978 that we are being presented with a situation where the Government does not know what the unemployment level is.

In 1977 in his first Budgetary Proposals, Mr. Speaker, the Hon. Minister of Finance stated that the level of unemployment in Barbados had fallen from 22.5% to 15.3%, and in a typical manner that part of that reduction could be attributed to the refinements in the statistical methods under the guidance of a United Nations expert who assigned to the ranks of the voluntary idle people who were previously classified as unemployed. Mr. Speaker, do you see the significance of that? A drastic reduction in unemployment — 15.3% was the figure that he gave for 1976, and for 1977 he gave a figure of 15.6% which would mean to me an increase of 0.3%, but again in the usual manner there was a correction of the figure for 1976 to 15.7%, therefore showing a reduction of 0.1%, and now this year, Mr. Speaker, we have absolutely no figures on unemployment. How can a Government, Mr. Speaker, fail to acknowledge that this is a No. 1 social and economic problem in this country? How is it after 2½ years with the emphasis they say they place on the collection of statistical data can they find themselves in this situation now? I have good reason to believe that what I am saying is true, that far from a reduction in the level of unemployment there has been some increase.

I should also like to draw to your attention, Mr. Speaker, that the level of inflation in this country which was 5% in 1976 rose under the brilliant Barbados Labour Party Government to 8.3% in 1977, and in 1978 to 9.5%. In other words, Mr. Speaker, the rate of inflation has virtually doubled, and what is significant is that when we had the level down to 5% that the rate of inflation was significantly higher in the country with which we trade mainly. I believe in the United Kingdom it was certainly well over 12% to 13% at that particular time and with our main trading partners. Since then there has been a decline in the rate of inflation in those particular countries.

We heard a big song and dance recently about the position in relation to our balance of payments and foreign reserves. Let it be remembered, Mr. Speaker, that in 1975 our balance of payments stood at \$35 million and our foreign reserves reached the level of over \$100 million in June of that year. You can laugh and say it was due to good sugar prices just as your survival now is due to good tourism and cold winters, but nevertheless it was correct with no major social or economic cost to the masses of people in this country. Now in 1978 we are told that our foreign reserves are \$96 million and, Mr. Speaker, that our balance of payments is \$35 million. It is going to be very interesting to see what happens in between. In the first instance, Mr. Speaker, I want to question the position of our foreign reserves and what that \$96 million really stands for. Is it due to the performance of the manufacturing industry alone — the manufacturing sector? Is it due to tourism? Certainly agriculture did not contribute much to it, but I should like to draw to the attention of this Honourable House a statement, and I am quoting from the Quarterly Report of the Central Bank of Barbados, Volume VI (1) March 1979, page 1, referring to the summary of the Economic Survey for 1978, where it states that the reserves were boosted further by the Government's foreign borrowing partly for capital projects and partly for general budgetary support. Is it coincidental, Mr. Speaker, that the Government of Trinidad and Tobago only last week made it clear that they will not be lending money to any Caricom countries for general budgetary support? This is the report of the Central Bank.

Mr. Speaker, I believe a further contributing factor to the present levels of our foreign reserves is to be seen on page 3 of the same document which states that capital expenditure fell on the completion of the harbour extension and delays in the implementation of other capital projects.
6.05 p.m.

This combination generated by this Government, a combination of a decline in the annual rate of re-growth in output, a doubling of the rate of inflation and housewives would now begin to understand why it is

that although they are being told that things are going down why every Friday or Saturday when they go to the shops things are going up and there is also an increase in unemployment.

This was a direct consequence of policies taken by this Government to fix the prices in our Foreign Reserves and Balance of Payments in 1977 and despite any arguments put to me about Central Banking Financing, Mr. Speaker, with the Sugar Industry in the early part of the year, there can be no doubt that the two major contributory factors were the levels of imports into this country between September 1976 and June 1977 and you can follow the fall in our reserves. You can follow clearly the adverse position of our Balance of Payments during that period and you can see how the crisis developed.

You can see very clearly set out, Mr. Speaker, that if in any way advances from the Central Bank contributed to the inflationary situation and to the aggravation of the problem in Barbados it was because the Government of Barbados had advances rising from \$13 million in September 1977 to somewhere in the region of \$79 million in Central Bank Financing.

I think that the hon. member for St. Thomas has indicated that he preferred that term than the more vulgar term, the printing of money. Now I am not suggesting that, Sir, but there has been some suggestion made in economic circumstances that such advances may not have been done in the usual manner. What did they do? They betrayed the poor man. There is restriction on consumer credit, Mr. Speaker, stoves and fridges. These affect the poor man again. What did they do in terms of managing the economy? A pooling of Government expenditure with a cut-back in social services. What else did they do, Mr. Speaker? I will tell you what they further did.

The Government went on a campaign of borrowing that is unprecedented in the history of this country. After 15 years of Democratic Labour Party reign the total National Debt of this country stood at \$241 million, an increase of some \$220 million over the period, Mr. Speaker, of almost 15 years. At the moment it now stands at \$370 million and what is of interest, Mr. Speaker, is that whereas the domestic component of the total debt in 1976 stood at \$192 million and the foreign component at \$49 million, there has been a distinct switch in that there has been a doubling of the foreign component of the National Debt and this, in my opinion, which is now at the level of \$103 million is a matter of concern.

If you look you will also find that in our charges of debt which we have to pay by sweat, blood and labour we will have to pay for this and our children

will also have to pay for this. We have seen increases in the region from \$13 million to \$31 million and you can be sure that there will be further borrowing and I can confidently predict that by 1981 to 1982 the total National Debt of this country will not be less than \$6½ billion. (*Asides*). Yes, that is what I said, \$500 million. Mr. Speaker, that is what I am predicting between 1981 and 1982. It only has \$130 million more to go.

Mr. Speaker, I want to turn to this question of Taxation. A part of the package of the economic policy Mr. Speaker, has been a maximisation of the tax effort; a euphemistic term used often by persons emanating from an Organisation called The International Monetary Fund where this Government went and drew on their special compensatory facility in 1977 when our reserves had virtually disappeared; that along with the loan from Trinidad of \$35 million and there were times in 1977 when our reserves were down to the level of some \$26 million.

The tax effort, a euphemistic term, has been so applied in Barbados as an instrument of policy, Mr. Speaker, a part of the package that you land yourself in a situation today where you have a Government that is relatively rich paying these massive salaries, first of all, of course to themselves, but with an impoverished nation out there and the handbacks that they are giving them now are handbacks from excessive taxation and these are reflected Mr. Speaker, not only with the increases in terms of personal taxation which over the past five years would have risen some \$40 million or so but also in terms of the increases in Property Taxation of some \$7 million, taxes on goods and services of \$33 million, International Trade \$29 million, Duties \$2.5 million and non-taxable revenue.

Now I want to interpret this for the ordinary citizen because within that terminology that you see there, you are talking about the ordinary houses of the ordinary people. You are talking about things like T.V. licences. You are talking about things like Water rates. You are talking about every possible means of travel. You are talking about Drivers' Licences, Passports and the whole lot, Mattresses and I think bedding as well. You cannot even sleep without contributing to this so-called maximisation of the tax effort.

Now, Mr. Speaker, in the limited time available to me at the moment, I would like to examine one or two things. I would like to make it clear that these increases in deductions are totally unsatisfactory in the present situation and it is important that Government recognise that we live in a mixed economy and that investment and the formation of capital not only resides within the Government sector but also within the private sector and it is most important, Mr. Speaker, that not only should those reductions be higher or to take a much

more positive position probably in estimating what is the average amount of money which the average family would need to live on comfortably and determine that this would be your tax-free base as far as personal income is concerned and then have a far more gentle grading in the incidence of taxation in order to restore productivity in both the public and private sector.

I would also like to make a plea that Government pay some attention to the question of a very neglected class of people, people who are very often misused and abused in this country, that is those people involved in domestic labour. I know you can always hear all kinds of shouts about a nation of domestics but you have right adjacent to this society a tourist sector in which service is an important component and a major contributor to this economy.

6.15 p.m.

The Domestics (Hours of Work) Act is observed more in its breach than in its observance, and I am beginning to wonder that if you look because of the changing pattern of Barbados' society at domestics as part of a unit of productivity within the society, if a couple is out working and they have a domestic looking after their house and children, that person is part of that productive unit, and I believe we have to recognise this as a fact of life, and we just cannot say that these people do not exist. I believe that appropriate tax inducements can be employed in order to make sure that such persons get better wages, and at the same time I believe that it would make the administrative problem, which I understand was an objection of the present Minister of Finance when first the matter was discussed, but I think we need to look at the economic argument in this particular area, because many of the people who may shout "a nation of domestics" are the same people who have maids in their homes and are probably paying them far less than what they would pay them if they could get some tax relief in that regard, and it is necessary for the Government to recognise that they should be taken into account as part of the total productive force in this society.

The question of pensions, Mr. Speaker. I believe that there should be a determined level at which all pensions should be tax free.

In my final remarks I would like to say this. This country was once visited by an eminent economist who stated that small is beautiful. Under the Democratic Labour Party it was demonstrated that small not only could be beautiful but was beautiful, but small is also very fragile and must be handled with delicacy, with the humility that comes from wisdom and not with the arrogance because of its fragility that comes from the assumption that you know every possible thing. In short, this country over the past two and a half years

has been shattered by the first nine months of misrule by the Barbados Labour Party. It was recognised by them at that time that they had to take certain measures normally recommended by the International Monetary Fund with the exception of the devaluation of the Barbados dollar, which would have made no particular sense, because our volume of exports is so small that it would not have been of any particular importance. They have overshot their level in terms of the tax effort, they have overtaxed the nation to the extent of probably some 30 to 35 million dollars, and what they are giving back to them is just the result of the overtaxation measures which were instituted at that point in time.

And so, Mr. Speaker, I must say that I myself will never forget when the report came out and I heard that Barbados had to draw on the compensatory facility of the International Monetary Fund, and as a proud Barbadian that was one

Mr. SPEAKER: The hon. member has three minutes more to go.

Dr. HAYNES: . . . that was one of the saddest days in my life, and I hope now that those days are behind us and I think it is important that the present Government comes out and tells the people of Barbados the origins of the prices for which they instituted these measures, point out to them that there had been a high element of overtaxation, and point out to them that what they are giving them back today — and when I say overtaxation, Mr. Speaker, if you look at the actual revenue for 1977-78 and look in the Estimates for revenue for 1979-80, I think that you will see that there would be an expected increase in taxation of somewhere in the region of \$100 million. That is the kind of figure we are talking about, so that the return of \$11 million, and this is what was understood, that this is a refund of excessive taxation, and I cannot repeat this too often, that this is not a tax relief budget in the usual sense of a tax relief budget where an economy is performing and the Minister of Finance finds himself in a position where he can make certain concessions, and so on.

Mr. Speaker, I thank you for your indulgence in listening to me and I hope that I have set the record straight as far as the country is concerned and as far as the Democratic Labour Party is concerned.

Mr. SPEAKER: The Hon. Deputy Prime Minister.

Hon. H. B. St. JOHN: Mr. Speaker, I listened with great interest over the course of the last two days to the contributions of the respective speakers from the other side. The last speaker trotted out a series of figures which we have heard on many occasions both in here

and read on many occasions in the daily and weekly newspapers of this island. Neither in the newspapers nor in here has the hon. member made any attempt to relate these figures to the actual standard of living of the people in this country.

I want to deal, Sir, with one point that he raised immediately, and it is the question of employment and of statistics. If one analyses the economy of Barbados, one sees very clearly that agriculture, tourism, manufacturing and services other than tourism play leading roles in employment. Many of us have complained from time to time that the Statistical Service has been unable to give us up to date and regular figures on employment in the various sectors of the economy.
6.25 p.m.

It is for that reason that in the Ministry of Trade, Industry and Tourism, in the Ministry of Agriculture and in the Ministry of Labour that specific attempts are made to have periodic censuses of actual employment in the various sectors, so that the data derived from these efforts can be compared with the data given by the Statistical Service in their projections of employment. From 1976 in the Ministry of Trade an actual census of manufacturing employment was directed to take place. It was done in 1976, 1977 and 1978 by a personal interview with each and every employer, and was done by a Mr. Wilkinson whose competence as a statistician can be judged from the fact that he attended a well known university and gained a special degree in statistics and from the fact also that his publications have been the subject of very favourable comment not inside of Barbados but abroad. In each of those three areas we are in a position to demonstrate that well over 1,000 jobs per year — net additional jobs — have taken place in manufacturing. Moreover, in the Ministry of Trade and Tourism a careful survey takes place with respect to hotel employment, occupancy, tax collecting and earnings; and again, Sir, in the course of the last two years it is easily proven that not only have we had a significant increase in the number of visitors coming to Barbados, but also that the occupancy rates at hotels have increased and that Government revenue has also increased. In the agricultural sector we know the position even more closely, because of the fact that there is a registration of agricultural workers in Barbados. In addition to that we also have at this particular period of time of the year when we are reaping the crop a very careful and detailed attempt by the Sugar Producers Association in Barbados by way of advertisement and others means to get labour. What do we find? We find that in the agricultural sector there is a shortage of labour, particularly from January this year. What do we also find in another important area — the area of construction? As part of an effort to cross-check the work of the Statistical Department, in

my Ministry we have established liaison with the Society of Architects in Barbados, and we requested them to give us information as to the amount of work going by their members; and we requested them not to give us information on work for which they were commissioned but for work which was actually in progress. And again, when we look at those figures there was a significant increase in employment. Now if these are some of the major areas and we can demonstrate independently of any effort of the Statistical Services Department that there has been a *de facto* increase in employment, the only other important areas we can have would be the business sector and the Government sector. In respect of the business sector the significance of the Employment Levy comes immediately into play, for tonight we are in a position to demonstrate conclusively that upon receipt of 50% of the returns there has been net additional employment of a significant amount. So what are we left with then? We are left with Government.

Now I believe the hon. member for St. Michael South asked a question about Government employment and he received an answer; it is a matter of public record. Far from there being a decline in the public sector, there has been an increase during the course of the period of time that we have been in power. Now faced with the mass and the weight of the totality of all that evidence, the hon. member for St. Michael South Central is going to get up and pontificate and say that he has good grounds for saying that unemployment far from decreasing has increased. But to show you the calibre of his intellectual honesty he does not disclose the grounds on which he based that nonsensical information that is contradicted by the mass of evidence. What can you do with an hon. member who has such a high opinion of himself that because he pronounces it, it is a fact? There is only one thing you do with a person like that — ignore him. He has made no contribution at all to this debate.

Now, Sir, there are other areas of importance which I think it is our duty to highlight, and that is that we use the budget as an instrument for effectuating the political and economic policies that the Barbados Labour Party promised to the electorate in 1976. And I want to talk about that because this is the third Budget of the Barbados Labour Party and I am very pleased to see that when one compares the promises that we made in our Manifesto with the measures that we have implemented since we came into power, one can judge that when we made those promises we seriously intended to carry them out and have indeed carried out a large percentage of those policies, and in the course of the next two years will carry out the remainder. We had promised a complete reform of management in Government, of the banking and insurance sector, of the housing sector, the manufacturing sector and the tourist sector. It is through legislation arising out of the Budget that we have got control over all banking in Barbados

and the significance of that has been the establishment of the Barbados National Bank and the Barbados Insurance Corporation, and the direction given to commercial banks in Barbados is borne out by that fact that there has been a shift in emphasis in the use of savings in this country from consumption to production, because our fundamental philosophy is that you cannot distribute what you do not have, and therefore we agreed with those who analysed the problems of the economy in 1976 as being problems that could only be rectified by an increase in the productive base, and that is what we dedicated ourselves to. I am very pleased to say that that has in fact taken place, and what is more, we are now in a position at this stage to implement further projects which can only lead to a further increase in employment.

6.35 p.m.

The Construction Industry and the Housing Industry have now been fully stimulated. I am surprised therefore, that when this is very easily demonstrated, the member for St. Michael South can get up in here and say that this Budget is a deflationary Budget. This Budget is designed to push housing, to push construction and to help employment. It is designed to ensure that the capital works projects in our development plan can be financed out of local resources to the extent that in terms of our external borrowings demand that we put up local costs. That is the point that the member for St. Michael South Central has never grasped; and it is this, that in a third world country which is not oil producing of any significance, when we try to borrow money, the terms and conditions of borrowing are that a proportion of the cost of the project be financed locally.

If we do not have a budgetary surplus, where are we going to get counterpart funds to carry out the development programme that you are getting external money for? It is because of prudent management and our saving up to carry out the programmes between now and 1981 that we will be able to build our post office which is necessary, if only to ensure that hon. members when they come in here are coming into a place where there is adequate security and proper protection.

I go further. It is because of the Budgetary Surplus that we can carry out the project at Oistins which is only partly financed by the European Development Fund. The balance of the project which relates to the provision of Government offices, the provision of amenities, has to be financed out of our local money. It is because of that that we can carry into effect the Speightstown redevelopment plan. Only this morning I signed an agreement with the World Bank; and Barbados' part of that contribution is \$12 million (Bds). Where were we to get \$12 million? I go

further; the Minister of Education has the Polytechnic project. The Minister of Health has an on going sewerage scheme. There are many other projects which will come into operation. It is not a question of planning for them. They are off the ground. The bulldozers are working, the surveyors are working and the masons, labourers and carpenters are working and advertisements for the masons and carpenters are appearing in the newspapers day after day.

Perhaps after a few more years, after 10 years more in the Opposition, the hon. member will realise that it is not a disgraceful thing at all to have a Budget Surplus. As a matter of fact, the Leader of the Opposition has always been preaching that the only way a small country like Barbados can get along is to ensure that while we have a good level of living, we do not have a conspicuous level of living. In other words, part of our earnings have to be retained for investment in the future. I am not ashamed to be associated with a Government which regards that as an essential plank in its philosophy.

There is just one other point that I want to deal with, and that is the question of energy. There has been a lot of talk about energy, the increase in the gasoline price and things of that kind. My Ministry holds responsibility for energy; and I want to say that Barbados is the only territory in the Caribbean area which is not an oil producing country of any significance which has not had increases in the retail price of its products in the course of the last year.

Last year we had to adjust our petroleum prices. OPEC started to move from about October, last year; and the former Minister of Trade will remember that there has been established a pricing system in Barbados since 1962 consequent upon the signing of the agreement between Mobil and the Government of Barbados whereby Mobil is granted a preferential market and the right to supply certain petroleum products on certain terms and conditions under the terms of that agreement.

That agreement is no mystery. It is a Document of this House. They are entitled to get the month following from their refinery the cost of the product which is arrived at by looking at the postings of the Caribbean Platts gram for the previous months, plus a percentage for leakage, a percentage for freight and a percentage for the terminal. Now, in addition to that, the marketing companies have a margin. They get the ex-refinery price. They get the marketers' margin. The marketing companies sell it to the retailers, the gas station people. They are entitled to get their margin; and a lot of the argument that takes place is really an argument over the margin.

The agreement sets out the price formula. The Platts oil gram is published every week and you can look at it and see the Caribbean Platts in relation to the other markets, the Rotterdam Market, the New York Market and the West Coast Market. We have not done anything fundamentally different except that we have seen the consumers' point of view in this respect, and we have given a lesser mark-up to the leaders than the former Minister of Trade did when he was there; and the difference is a few points — 1% in some cases and in other cases a little more; but we did have a problem with kerosene because retailers in the country refused to market kerosene on the ground that it was a dirty product to handle. The way the people bought it, you had to dip it out of a can and some of it got spilled; and we increased slightly the mark-up on that.

The position is that in 1979, these prices rose, Sir, and marketers got 7.33% and the dealers got 7.29%. In 1974 on the pricing system they got 9.77% and 6.75%. We felt that the marketers of gasoline got too much on the dealers and retailers should get a little more, but overall it was less. Kerosene in 1974, the marketers got 13.97% and the dealers 11.18% and the retailers 7.47%. Diesel is the same story.

I can make these figures public. That is why in the Budgetary Proposals the Prime Minister was able to disclose various things because the computation had been done. Now, Sir, the position is very clear. In the percentages increase you will see that part of the increase in the price of gasoline is taxed, and we make no apology for that for this reason: all over the world, oil producing countries have said very clearly that oil is a noble product, and any country which does not produce oil itself and which encourages wasteful habits will not get any sympathy.

The USA is suffering a lack of confidence in the integrity of its dollar because of the fact that President Carter is unable to force through a rational policy of conservation of oil. This Government in Barbados has the courage to pursue a rational policy in the conservation of gasoline. That is a distinction between people who stand up and face situations and those who run away from them.
6.45 p.m.

Now, Sir, I also want to announce to the House that in pursuance of our energy policy, we have had the benefit of advice from the British Government on petroleum geology, we have now got a final consent from the United Nations Development Programme for \$300,000 worth approximately of technical assistance for the purpose of monitoring the engineering and other operations of General Crude in St. Philip and for

petroleum economics, and for training Barbadians. We have now hired one geologist of our own who is working with the British team. We will soon hire another geologist. We will also hire an economist who will work along in the course of the two years of that assistance who will come out fully able and competent and capable to advise us on our policy, and in addition to that Cabinet has approved that part of the manifesto of the Barbados Labour Party in which we pledged a National Petroleum Corporation, and that Bill will be before this House within a month. What is more, Sir, as far as I am concerned, I do not see any role in this country for four oil companies being marketers. If we want a single marketer, let that be the National Petroleum Corporation of Barbados. I go further as a result of a very careful study of the operations of General Crude in Barbados and the difficulties which the hon. member over there and I had with them, and especially in view of the fact that now they have sold they have sold to the highest bidder, Mobil, and especially in view of the fact that what we have here in Barbados is a vertically integrated operation if the Mobil deal passes the anti-Trust Department, it is becoming abundantly clear that there could be possibilities of transfer pricing and things of that kind. I am convinced that just as this Government took the tremendous step in the Forties of ensuring that all petroleum and gas rights came under public control, there should be no more drilling in areas outside the present concession unless that is under public control, and I am prepared, and the Prime Minister has agreed and Cabinet has agreed, that we will submit an application to the Inter-American Development Bank for funding to allow us to do that drilling ourselves. Of course we can get joint venture arrangements with other companies. Of course, that is practical now. The big agents in the oil world now have to walk humbly to the countries and offer a 50-50 and 60-40 deal. They are no longer in a position to dictate. They have the technology, but the technology is now much more widely spread than before. The Mexicans at least have demonstrated that Third World countries can do it, and we in Barbados are never afraid of a challenge.

Sir, if I may sum up.....

Mr. SPEAKER: The hon. member has three minutes.

Hon. H. B. St. JOHN: I should like to say that I am very happy to be part of a Government which has produced a Budget which will unquestionably stimulate this economy and not deflate it; that has programmes to deal with the important matter of energy; that has the courage and the wisdom to implement its thoughts in these areas. I am also pleased to know that there has been in Barbados in the course of the last two years a dramatic increase in the management of public

expenditure and in tax collection. It may not be very easy for some people to understand what a difficult thing it is between October and March to sit around a table facing the demands from your fellow Ministers and knowing full well that however legitimate their demands are that the economy of the country cannot afford all of their demands in one year.

I have had the pleasure of sharing as co-Chairman of the Estimates Committee with the Minister of Finance over the course of the last two years, and we have done the best we could within the context of the economy of Barbados to ensure that social justice is done, that the broad base of the economy is improved, so that between now and 1981 far from things getting worse, things can only get better and better provided we remember that investment is still necessary and that conspicuous consumption can lead us into trouble.

Mr. SPEAKER: The hon. member for Christ Church East.

Dr. CHELTENHAM: I want to say at the outset, Mr. Speaker, that the areas of political divide between the Government benches and the Opposition benches should not and certainly will not prevent me from expressing my sympathy to the Opposition over the difficulties which they have been experiencing over the last two days in responding to the Budgetary Proposals. It was clear to all of us ever since about 6 o'clock on Wednesday last that they were falling into a mood of despair, and we all looked forward to seeing what would happen on Thursday and Friday. Apart from the fact that they were up against an unconventional, imaginative and very resourceful budgetary exercise which was utterly comprehensive in nature and informed at all times by a desire to attend to the problem of the masses of this country, they were also met with a very unsatisfactory and feeble-minded performance on the part of their leader, and the result of that has been that it has cast an air of dejection over all the efforts of the Democratic Labour Party spokesmen in this debate, and they have not been helped, if I may say so, by the contribution of the hon. member for St. Michael South Central who resorted to reading out statistics on almost all areas of national life without relating the statistics to any particular theme; and if we may judge from the look of hon. members who were in their seats on the other side, he did no more than deepen what is now a crisis of despair and dejection on their part.

I want to say, Mr. Speaker, that we ought not in the Barbados Labour Party to accept any responsibility whatsoever for what some Opposition members have been describing as the political crisis in this country created by the Barbados Labour Party over the last two years. As far as I have been able to gather from some of their spokesmen, it has been a crisis characterised by

wage restraint, incomes policy, a reduction in the standard of living, — indeed there has been no evidence that the standard of living in this country has been reduced in the last two years — a crisis characterised by a diminution of social services; again I call on them to point to those social services which have fallen, and that that crisis has been the result of the Barbados Labour Party's mismanagement in the last two years. The balance of payments crisis, the foreign reserves crisis, the unemployment crisis which we in the Barbados Labour Party met when we came into office were only the symptoms, and they were the result of the fact that in the last years of the Democratic Labour Party administration there was a crisis in the productive sector of the economy.

6.55 p.m.

There was marginal growth in 1976, no growth in 1975, negative growth in 1974 and if you are not producing, if your economy is flat, it means that you can have no employment creation and added to that, Sir, we had a display of irresponsibility in 1976.

Their approach in 1976 was this. If we lose the Election we will leave a mess for our successors and to that extent they refused to exercise any regulated powers on the economy. They allowed an absolute free-for-all in this country. You can bring in what Hi Fi sets you like. You can bring in what cars you like. You can use up all the money on foreign exchange and do whatever you like because as I said they were producing on two premises. If we lose we are going to leave a mess for our successors and if we win we will have to brace ourselves and absorb the people of this country in their attempt to put the economy right and even though when they went out of office in 1976 the bad state of the economy was not fully reflected, by the time the figures came in as a result of the free-for-all and as a result of the increase in wages and salaries and their failure to manage the economic problems, we were faced with a massive crisis in the economy and in the finances of this country.

We would have been an irresponsible Administration, a total irresponsible Administration if we did not respond as we did by taking the defensive and protected measures that we took and I want to say that we were able to find the right formula and take these measures without at the same time worsening the employment situation, without at the same time causing any falling off and falling down of the social services and without at the same time causing any diminution in the standard of living for the people of this country.

That has been the achievement of the Barbados Labour Party in the first two years so that it would be totally untrue to suggest an absolute distortion of the facts of what they have done consistently over the last two years that the crisis of this country was the result of the Barbados Labour Party Administration. It is true that there was an energy led inflation which this country suffered and that the economy was battered, but it was as much battered by those efforts as it was battered by the mismanagement of the Democratic Labour Party Administration.

I can think, Mr. Speaker, of few occasions in my brief Parliamentary career in which I have had more satisfaction than with listening to the Budgetary Proposals on Wednesday last. That arises as much from the fact, Mr. Speaker, that the Hon. Prime Minister flattered me by including in his Budgetary Proposals two recommendations and suggestions which I made public in this House some months ago. It has resulted as much from that as from the fact that I regard this as a most resourceful, relevant and humane Budget that we have had in this country for a long, long time.

You will recall, Mr. Speaker, that in my contribution on the occasion of the second reading of the Appropriation Bill I suggested very strongly that there was no wisdom in saving for saving sake and that I expected the Government to come with a humane package of proposals designed to improve the lot of the masses of this country and I specifically called for the electrification of all homes in Barbados. I rephrase that, making electricity available to all of them and to the installation of water in all houses in Barbados.

I further called, Mr. Speaker, for physical incentives similar in scope and nature to be given to land and house developers, similar in scope and nature to those given to manufacturers and hoteliers under the Physical Incentives Legislation and under our Hotel Aids Act. It has given me great satisfaction that these recommendations, that these proposals have been incorporated into the Budget and that very shortly in this country they will come to pass.

I regard unemployment as the Number One social priority in this country and the point has been made in the Press today and it has been made too by one or two speakers from the other side that little wordage has been devoted to the question of unemployment and measures to lick it in this particular Budget. Although that is true, Mr. Speaker, I wish to submit and to emphasise that the greater portion of the time of this Government is concerned with attending to measures to lick the unemployment problem in this country and even though there was only comment in the course of the Budget on the Employment Levy, there can be no doubt, Sir, that the complete package of measures

which this Administration has implemented and is about to implement in relation to solving the unemployment problems, Sir, stand out as imaginative, bold, and absolutely resourceful.

The Employment Levy, and they are not to get away with this because they were the ones who opposed it. They said it was the Employers' Tax. They said it was only a scheme by a madman in a mad Government but today after one year it has realised some 1,650 jobs and only 50% of the returns are in. In fact, when I heard that, Mr. Speaker, I wondered for a moment whether they had taken over the role, if I may go back 25 years, of the Electors' Association, or the Progressive Conservative Party or the Barbados National Party, or the Mottley Group. They sounded to me, Sir, as though they were the principal spokesman for the Employers' class in this country.

7.05 p.m.

But it is not only in relation to the employment levy that this Government is adopting unconventional approaches to licking the unemployment problem. The Apprenticeship Training Scheme which has been proposed, which will come into being shortly is another very imaginative attempt to solve that problem. We are expecting that in its first year or a little beyond it will take the pressure off and will absorb some one thousand people, having them at work and at the same time undergoing a form of training. The National Skills Training Programme which has recently been launched and which is not yet in full swing is another very imaginative attempt to take the pressure off the unemployed and to solve this problem while at the same time training people and equipping them for the skilled jobs that are available in the labour force.

Equally, Mr. Speaker, I regard housing as the second most urgent social priority in this country. I have argued in this House and elsewhere that this administration has the responsibility to rehouse something like one-fifth of the population of this country within the next ten years and I have always said we can do it if we set ourselves to the task at hand and if we approach that mission with the zeal of a religious crusade, and we have done great wonders in the last two years. We have given the Barbados Mortgage Finance Corporation large sums of money, many millions, to lend out to people in this country who want to purchase homes. We have increased the maximum amount that you can get from \$32,000 to \$50,000, we have in addition extended the period within which you can get the mortgage from 20 years to 25 years — you can now get 25 years mortgages — we have cleaned up the mess at the National Housing Corporation, we have brought more land within the land bank, we have put the National Housing Corporation on a proper administrative footing, we have now introduced

second mortgages backed by the Government, we have given incentives to land and house developers, and generally we have created the setting of inducements and incentives within which I believe we can accomplish that mission and realise that goal, and I have no doubt that that will in time be one of the very proud achievements of this Barbados Labour Party administration. In two years we have given housing a shot in that arm which it has never got in the past, we have addressed ourselves to that problem, and that is what I mean when I say that it has been a relevant budget which is confronting the problems which are facing the country in a resourceful and energetic way.

I turn now, Mr. Speaker, to the proposals in relation to savings. This is the first time that a Government in this country has brought it to the attention of the nation in a dramatic way, and in an explicit way too, that we cannot continue to consume all that we produce, we cannot continue to rely on foreign investment to fertilise and fuel our growth, and that if we are to be serious about developing our country we must be prepared to do it on the strength of our own exertions and our own efforts. To that extent the Prime Minister and the Government designated this year national savings year and he has supported that with a whole package of measures designed to give the ordinary man in this country the opportunity to participate in equity investment and the opportunity to save with bonus.

Now, Mr. Speaker, the Barbados Labour Party administration through history, circumstances and destiny had the responsibility of paving the way for the creation of political independence for this country. It did more than any other party towards the decolonisation of this country and the securing of the political kingdom, but all our political independence will be meaningless if it is not matched with economic independence. That is how I interpret that measure. We will need not one year of saving, we will need several years of saving, we will need to create the psychology of saving in this country, but we have got to make a start, and an administration that understands its role and its mission to make independence meaningful and to spread the wealth of the country, and to ensure that more and more by our own efforts we can fuel our own growth and create a better standard of living for ourselves by ourselves, an administration that understands that as its mission, Mr. Speaker, only an administration that so understands that could have taken the steps which we took a few days ago. That is what I mean when I say that it has been a relevant budget that has addressed itself in a humane and purposeful way to the problems that are confronting the country.

I want to comment on what has been happening without too much discussion in this country over many

years, and it is interesting that it has fallen again to the Barbados Labour Party to complete a job which we started many years ago. I refer to the fact that it fell to the Barbados Labour Party many years ago to create the structure of what I call the welfare state which we are rapidly erecting in this country. I will not distort history to the extent of suggesting that the Democratic Labour Party did not too make their contribution to that structure, but the baton of leadership has passed to us again and our mission is now to complete that structure. We have made the school meals free at last, the education is free up to the tertiary level. The time will be very shortly when there will be no person over 65 in this country who will be outside of some sort of pensions net; there will be in a few years a national pension scheme, there will be very shortly a national health scheme, there will be unemployment benefits for those who have contributed and only for those who have contributed. When we have taken those steps, and history seems to have landed us with the responsibility of taking those steps of completing the structure that I have spoken about, we will have completed what I regard as a model welfare state in Barbados, one which very few if any poor developing countries would come anywhere near realising.

This has been a budget that has brought satisfaction to all classes of persons in this country, the taxi class, the fisherman class, we have brought many low income earners completely out of the tax net, we have given relief on a scale which many people thought could not be contemplated far less realised, and I think that we ought on the whole to have great rejoicing and great satisfaction over what has been achieved in the budgetary proposals. I regard the efforts for tax relief as only the beginning of what must be a continuing exercise, and I would like to suggest to the Prime Minister that the tax thresholds in this country are still too narrow and they need to be widened, and that much as I fully support starting at the bottom he must move to the point where some time soon we give further incentive to those who constitute the management class. If there is one thing that has emerged from this debate and from these budgetary proposals it is this, that the Barbados Labour Party administration is synonymous with good Government and that the Barbados Labour Party is good for Barbados.

7.15 p.m.

On Resumption.

Mr. SPEAKER: This sitting is now resumed. The hon. member for St. Michael South West.

Mr. TAITT: Mr. Speaker, for the last two days or so we have had the privilege of hearing some 22 persons utter their views on the third presentation of the annual

Budget by the Hon. Prime Minister and Minister of Finance. Mr. Speaker, during that period we have moved from one line of the spectrum all the way round to the other side; we have been from the sublime – for example the sterling performance by the hon. members on this side. And we have seen to some extent the ridiculous, and indeed we have even had some light comic relief from time to time.

Mr. Speaker, in the half hour that is allotted to me I do not propose to respond to too much of what has been said by the two previous speakers, but I cannot let this moment pass without recognising that whereas all of us on this side anticipated that at least the hon. member for Christ Church East would have desisted from the wholesale adulation which was the theme of the presentation of the hon. members on the Government side, we found that he spent his first 10 minutes doing what he had not done in the previous two years, praising the Prime Minister, and thereafter he withered away into nothingness.

Very early in the Budget Speech the Minister of Finance said – and I think it will be agreed on all sides – that the Government must have at its disposal a comprehensive range of statistical data and trained manpower required to use this data in order to make good decisions. That is why it must come as a supreme shock to every intelligent Barbadian to hear the words of the hon. member represented in the so-called Economic Survey that this year they are unable to supply us with statistics on employment or unemployment. Mr. Speaker, the Minister of Finance cannot be heard to say that unemployment figures, figures for determining the vast army of unemployed persons in Barbados – are not available. The excuses offered by almost every speaker over there are at best feeble. I am saying that a Government that has laid so much stress on its management ability has a fundamental responsibility to this community to give us reliable statistics.

You will recall, Mr. Speaker, that on the last occasion that the hon. gentleman came to this House with a Budget he indicated that while his officers were complaining and insisting that their figures on unemployment were correct, he was insisting and sticking to his figures and he told us that on the next occasion we would have proper figures. I contend that the reason why we have not got proper figures on unemployment in this country in this Budget is because the Government cannot find it convenient to supply such figures. It might show a picture which, no matter how much the hon. members on the other side try to twist it, the picture which the average man in Barbados who has been trying for some time now to find employment – university-trained people who cannot find employment in this country – those people will be the final judges as to whether employment in this country has gone up or not. Mr. Speaker, whatever

the hon. gentleman has to say about the unemployment levy the fact remains — I have heard but I do not propose to call names — there are some 12 small businesses in this country that have closed their doors. I am not talking about shops but businesses that have closed their doors in the last year or so. There is a well known old well established company in Bridgetown that is currently working one week on and one week off. In the face of that kind of information the Minister tells us that the unemployment figures are not available. I contend that it was their duty to employ additional people in the Statistical Department and let one section of that department get on with the household budget survey and the other group continue along the old lines so that at least for the presentation of the Budget we would have had meaningful statistics. In the absence of such statistics all other data must be suspect.

So where is the message for those 14 year olds of whom the Hon. Prime Minister bragged not so long ago? They and their friends will be pouring out of the schools in a few weeks' time but can they dare to expect a place in the offices and shops and firms in this country? It would seem to me that one place they cannot look is to industry. The Hon. Minister responsible for Industry was followed by the Chairman of the Industrial Development Corporation, but after a full hour neither one was able to tell us anything about where the jobs are going to be, how they would find jobs for the thousands of Barbadians who have been wanting work for the last two years. Neither one was able to give any indication as to where the jobs are to be found. In the famous telephone marathon soon after he came to office the hon. gentleman said that there were going to be 22 new industries. Subsequently the Deputy Prime Minister had the decency to reduce the number to 18, and later the Chairman of the IDC was heard to say "Give us two more years." Having had two more years, we are still in a position where the people of this country cannot expect any new jobs.

Mr. Speaker, the Central Bank Report for 1977 at page 19 shows that output of all manufactured goods increased by 1.2% and that similar increases in food production, such as the 1.5% experienced, in 1977 did little for the country's efforts to feed itself and reduce the leakage in the tourist sector. What did we find in 1978? At page 20 of the Economic Report we find: "Manufacturing production showed an increase of 1.6%." A paltry 1.6%, Mr. Speaker, and bear in mind that beverages, tobacco and chemicals account for the bulk of that.

8.30 p.m.

What this means, Mr. Speaker, is that last year we drank too much soft drinks and perhaps too much See Through. If we analyse what the quantities of chemicals amounted to in the total performance of the economy, we

begin to get a measure of the non-performance of the fundamental sectors of this economy during the past year. Mr. Speaker, I heard the member for Christ Church South Central, the hon. Deputy Prime Minister, say that there is a fair shift from consumption to production; but, Mr. Speaker, if we look for evidence of this shift from consumption to production, if you look at the details of this economic survey, and if we follow it closely, and the details of what the Minister of Finance had to say, you will see that this country is depending to a great extent on wholesale and retail; and Mr. Speaker, any Government that rests its economy on wholesale and retail, when that country is a small developing country that depends on importation for its very survival, this is positively dangerous; and the evidence begins to come in when you look at the balance of payments statistics.

Mr. Speaker, the invisible trade in 1978 was a whopping \$369,537,000 and this is \$17½ million increase over 1977. Mr. Speaker, I wish to remind the hon. member that in 1977 the increase was \$50.7 million. That was an increase over 1976, an increase to \$50.7 million plus a \$17½ million increase the following year. When you take into account the large increase in our so called exports from enclave industries, we begin to see that in terms of real productivity this country, far from making any economic movement forward, is falling into a situation in which at any moment, tourism being a changing thing, depending on the world geographical situation or the world rainfall, if it gets too warm and tourism takes a sharp dive you will find that this country has been making no provision for the change in its production capacity.

Then you will hear that they have built additional places. We have heard the member for Christ Church say that attempts were being made to bring in an electronics company. It was to carry out a training programme. Mr. Speaker, that training programme has been aligned with a particular company which came to this country some two to three years ago and which suggested that it would be able to produce 1,600 jobs in Barbados; and I am laying the charge now, Sir, that that company continues to fool the present Government that it is going to establish a large operation. Furthermore, Sir, that company has been actively engaged in the USA in turning away all other investors in the electronics industry by telling people that Barbados can only handle them; that Barbados is not in a position to handle any other electronic industries but them, and the Government is allowing itself apparently to accept what this company says.

Mr. Speaker, one meaningful export from Barbados, the economic survey shows is sugar, and in that economic survey it shows that we do not get the benefits of the price increase.

Mr. SPEAKER: I think that the hon. member is doing a little more than what Standing Order 28(1)

allows, which is that a member may refresh his memory by reference to his notes.

Mr. TAITT: Mr. Speaker...

Mr. SPEAKER: I beg the hon. member for a chance to speak. I think that the hon. member is doing a little more than he is allowed to do under the Standing Order. He is sticking a bit too closely to his notes. I do not want to say that he is reading his speech.

Mr. TAITT: I thank you. I am perfectly willing to make the notes available to Your Honour on completion.

Mr. SPEAKER: I am afraid that I cannot allow the member to read his speech. He is permitted to refer to his notes to refresh his memory. I would allow him to do that as I would allow any other hon. member.

Mr. TAITT: Mr. Speaker, on the question of sugar the Government of Barbados did not get the benefit of the normal price increase which one should have got from sugar because negotiators for sugar, Mr. Speaker, concluded an agreement with the EEC which begins from the 1st July, 1979. Our sugar was shipped by then. If all of it was not shipped, a substantial part of our sugar should have been shipped; and as a result, whereas in the past we have been able to attract a retroactive price, we found on this occasion the Government and the people of Barbados were not able to benefit from the new price. So that in 1979 we will get the price that was fixed for last year.

However, let me move on. When the Democratic Labour Party left the Government in 1976, the inflation rate was 5.2%. It averaged out at 5% later. According to the information in the economic survey, inflation went up by 8.2% in the following year. This year we are being told that inflation has doubled — 9.2%. Mr. Speaker, to the man who has a reasonable pay cheque, to cope with that rate of inflation is a possibility. To the person in this community who even after they get so called increases find themselves getting as low as \$70, \$80 or \$90 a week, you can realise what is happening in this community because those persons will find it increasingly difficult to survive on the 10% increase which is not across the board, although it is given as an average.

You have to take into account what constitutes the pocket on which this basic increase is paid. Mr. Speaker, a 10% increase in the face of inflation will make the proposals in the Budget a lot of nonsense. The hon. Minister said that when he brought the Employment Levy it was described as economic madness. I will state that while he said that the Employment Levy has been responsible for stirring up employment, Mr. Speaker, there is no way by which you can adjudge that by the

Employment Levy a company just paid the 8%, less five workers, 50 workers or 500 workers.
8.40 p.m.

Mr. Speaker, there is a difference between a company that has eight people who employs one; they would meet the requirement. A company that employs 500 and lost 250 might not meet the requirement, but there is no way that the Hon. Minister would be able to ascertain that 50 people or 500 had lost their work.

Mr. Speaker, a company which commenced operations during the year is entitled to recover all of its payment for the employment levy, therefore, Sir, such a company would not show a reflection in any statistics which the honourable gentleman might use to decide on unemployment or employment.

Mr. Speaker, 68 cents on a gallon of gasolene; 68 cents is the amount that was added. It is now \$3.10 a gallon. The multiplier effect of that, Mr. Speaker, is going to be such that it is only a matter of time before the electric company, and indeed I predict that the Electric Company will soon be making a submission for an increase in the electricity rates.

The farmers in this country, Mr. Speaker, of whom we have heard nothing. The first Budget was supposed to be a master Budget, and the second Budget was supposed to chart the course, Mr. Speaker. Eggs, all of the meat which we eat in this country that is grown in Barbados, chicken, animal feed, all of these are items which are bound to increase shortly, and it is only a matter of time before the full import of the impositions which this Budget has placed on the people of Barbados comes to touch them. It is only when you haul up by the gasolene station three months from now and the real bite of the price of gasolene starts to eat that you will understand, Mr. Speaker. An insurance policy is now a full tank of gasolene. A premium per month of \$25, \$30 or \$40 is now what a tank of gasolene will cost, and there is no end in sight because this Government does not believe in price control. It has no Prices Commission; if it has a Prices Commission, the Prices Commission has not met in the last two years. Those who need to budget every day for their very survival cannot, Mr. Speaker. This Government has put down its bucket where it can support its friends.

Mr. SPEAKER: I do not think the hon. member really wants to say what he has said.

Mr. TAITT: Certain segments of this community, Mr. Speaker, are going to benefit. A small segment of this community will benefit.

When you look, Mr. Speaker, at the package of proposals, the very first one is a reduction on corpora-

tion tax of 20% on profits derived from building and sale of two or more wall houses. It is worthwhile to examine who in this country is capable of doing that. Each small man out there who now builds two or three or four houses will have to form himself into a corporation if he is to benefit from this particular imposition of the Budget. You then have to ask yourself how many corporations are there in this country that build houses.

On the question of \$10,500, when the Hon. Prime Minister said that he is talking about the \$20,000 car, to all those persons who heard him at first, it seemed as if he was talking about a car for \$20,000. Mr. Speaker, when I talk about the confusion in that camp, it is sometimes said that we are wicked. It has been said, but, Sir, a few weeks ago the Hon. Attorney General made a policy statement in which he said that he would be seeking to stop the importation of motor cars from Japan, a policy statement with which not many people could disagree. Now we have the statement by the Minister of Finance that he will be dealing with cars \$10,500 c.i.f. value. Mr. Speaker, he is talking about the Cortina, the Carina, all of the cars that are imported from the United Kingdom except the Mini; he is talking about any car which is imported from the United States, therefore, Sir, if the Attorney General is saying that we are not to bring cars from Japan and these are the only cars in Barbados now that fall into that category of \$10,500, what it means is that all or most of the people out there who purchase motor cars or who will purchase motor cars are going to find that this 100% is going to be biting at them.

When the Hon. Minister says that people who now have taxis who have had them for 10 years can change them for diesel engines, Mr. Speaker, when you examine the possibility of the availability of diesel taxis, you will find that we are discussing the Mercedes Benz. In the United States they have just started to bring diesel cars on the market in terms of the six cylinder or the eight cylinder car, and he will be talking to taxi drivers and giving them the impression that they are in for a tax relief, but you check with the taxi drivers and you will find that this is not possible.

Mr. Speaker, when the Democratic Labour Party had the power, we made sure that the people in this country were able to survive, and the Government has over the last two years taken away almost every possible service in this country.

Mr. SPEAKER: Let us have some order on the Government benches, please.

Mr. TAITT: The roads, the Hospital services. This is a Government that allowed people to go to the hospital and get services; that Government even took away the \$2.00 given to people during the independence. The bonus which was given to people during Christmas the Govern-

ment did not find it possible to give. How were they able to do that? They told us that they were only going to have \$6 million.....

Mr. SPEAKER: Let us have some order, please, and I mean order.

Mr. TAITT: Mr. Speaker, the people in the hospital were able to get medicines. The old people in this country were able to get pensions; the people who had the pension cards taken away will get them back, we hope. I am calling on the Prime Minister to let us give back the people of this country that which they have had taken from them.

Mr. SPEAKER: Let us have some order.

Mr. TAITT: There has been clearly, Mr. Speaker, an attempt to ensure that this particular statement would be heckled; that is not abnormal. It is a pattern which has become the norm; it is a pattern which sees in this country that an ordinary school teacher, for example, is unable to carry out her duties without becoming involved if she opens her mouth and says something against the Government.

8.50 p.m.

Mr. Speaker, there are many aspects of this Budget which have been touched on by my colleagues on this side but let me establish finally. The Government claims that it is a Government that is competent. It claims that it is a Government that has brought to this country expertise. It allows itself to have, for example, a Company like the St. James Beach Club formed in this country as a private company advertising 77 units or more.

Under the laws of this country this should be a public Corporation yet, Sir, we have the Hotel Aids Act being used to import raw materials. The Hotel Aids Act allows people to get the benefit of a private company when in effect it should be a public corporation. The hon. member for Christ Church South Central ought to establish clearly whether these people are not acting illegally. This is the norm. This is what has been the norm in this country.

Mr. Speaker, the purpose of shares in the Barbados Light and Power Company will not assist in the electrification of this country if the purpose of these shares is merely the handing over of money from Government. The Electric Company ought to be able and capable of finishing the job of electrification started by the Democratic Labour Party in 1961 and continuing until 1976.

Within three months the Minister of Finance and his Government have carried inflation from 2% to 5%. Mr. Speaker, within three months of this Budget we are

going to see an increase in the inflation rate in this country that will divide....

Mr. SPEAKER: The hon. member must now wind up.

Mr. TAITT: That will divide the normal inflation movement of prices. In the United States there has been a wholesale price movement at the rate of 13%.

Mr. SPEAKER: Let us have some order on the Government Benches. The Hansard Reporter cannot carry out her work.

Mr. TAITT: The United States has seen a wholesale price movement of 13%. That is going to be transmitted into a price rise in this country which has not been accounted for in the Budgetary Proposals of the hon. gentleman. I am appealing to the Minister of Finance who says that he does not believe in price controls to recognise that it is the responsibility of a Government to protect the consumer in a society of this kind and to state categorically that he is going to take steps.

Mr. SPEAKER: It is time to end your speech.

Mr. TAITT: Mr. Speaker,

Mr. SPEAKER: Your time has expired.

The Hon. Prime Minister, the Minister of Finance.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, Sir, upon rising I think that all members of the House will like to thank Your Honour for letting the Opposition member spokesman of Finance have an inflationary rate of 50% over the time which the Rules allow. Now, Sir, I did not intend to refer to the speech of the hon. member who has just sat down at all, Sir. I had hoped that it would have been a quiet speech, constructive, taking no false positions and making no statistical mistakes because I know that this was his aim. However, Sir, in replying generally to the debate I have some duty to refer to the speech of every hon. member and he has made it very easy for me, Sir, because in a very wide ranging speech, I fear he made almost as many mistakes of fact as did the hon. member for St. Michael South Central.

I will deal with a few small points. These are matters of correction, Sir, pure and simple. He has attempted to tell the public that a Ford Cortina motor car has a c.i.f. value of over \$10,500 and that it is affected by the recent measures. This is not true. I have here the figures of the motor cars imported into this Island from December 1978 to the present time and Ford Cortinas landed in this country at \$8,968.92. The only cars on the list which have come here since December 1978 are the Gallant, the Datsun 200R, and the Datsun

280R, so his alarmism in trying to tell the public that the measure extends to more motor cars than it does is quite misplaced. He is wrong.

He is also wrong about figures for the Employment Levy. He says that I have no way of knowing what levies they were. The form in which the levy was drawn is such that people have to return their old employment. Three hundred and twenty five firms have made returns. I can show the hon. member the break-down. I do not believe it is confidential. It does not have the names of any of the firms and they have shown a general increase in employment. There may be decreases, but there is a general increase in figures. Twenty six firms did not complete the forms and in fact 41 firms have for some reason returned that they did not employ people at all. These may be front firms of some sort. I really do not know what they are but in every single sector the returns showed an increase in employment. It varies from 17.25% in construction, 12% in distribution, 10% in Hotel down to 1½% in agriculture.

Even Agriculture had some increase and strangely, Sir, although it was only 1½%, 41% of the Levy paid by Agricultural Companies had been returned. On the other hand the 1½% that we are surmising may very well come from the non-sugar sector which was able to expand its employment during the year. This leads me generally, Sir, on what seems to have been the principle interest shown in this debate by the Opposition, the position of unemployment. We have had a great number of old speeches repeated and in general, what have been repeated have been heard before and been refuted before.
9.00 p.m.

We had the Leader of the Opposition saying that I said that a Pakistani gentleman told me in 1976 that unemployment in Barbados was 26%. The debates will be searched in vain for any such statement. You can analyse public speeches and you can analyse what was said in the House and you will find that I referred to an Indian gentleman who worked in the Ministry of Planning and I did not say that he told me anything, I said that he was an expert who had come down here to set up a new system. I have never met the gentleman except on one occasion after I became Prime Minister, he has never given me any information whatsoever about unemployment. The hon. member seems to know his name, the Hon. Leader of the Opposition knows him, he is nothing to do with me. What has happened, Mr. Speaker, and I am going to go right into it, what has happened is that for many years in this country we relied on unemployment statistics collected by the Labour Department. In 1975 the Leader of the Opposition, who was then Minister of Finance, was in charge of the Statistical Department when this Indian gentleman came down to set up a continuous household sample survey for discovering unemployment.

In the budget speech I said how it is done, you go to 1% of the households, you ask everybody in that household if you are working or looking for work, and you get the statistics from that.

Now I have been accused in here of not having complete unemployment statistics in my budget. You will search the fifteen budgets of the Leader of the Opposition and you will never find that he ever gave the unemployment figures. In 15 budgets for the first time last year I tried to produce unemployment statistics because I think they are an essential tool in the economic management of this country. For the first time, and that has now become the biggest thing that hon. members opposite have to talk about. They criticised me for being open and honest this year where for 15 years their Minister of Finance never touched the subject at all.

The hon. member for St. Lucy, I believe he has genuinely got it wrong. According to the hon. member for St. James I should now describe him as "Doctor", I must now call him D.D., not Doctor of Divinity but doctor of something else. He said that we should not change the basis of the statistics as was done in 1977 and then compare the statistics before with the statistics after, but he is wrong. The basis was not changed in 1977, the concept of the voluntarily idle was not introduced by me, the concept of the voluntarily idle was introduced between April and June 1976 in the dying days of the old Government by one of the Permanent Secretaries and the Statistical Department in the office of the hon. member for St. John, and therefore you will note, Mr. Speaker, that although every report dealing with unemployment speaks of the percentage of unemployment at the end of 1975 as being 22%, and then speaks of its falling to 15% the next year, in my budget I was careful not to give that figure, because the discrepancy between the 26 and the 28 and the 22 percent, and the subsequent figures arise out of the concept of the voluntarily idle which was not introduced by me, it was introduced by the previous administration. Let us get these things clear.

The Vice President of the World Bank came to my office this morning. He produced a draft report for Barbados. Normally these things are confidential but we discussed the fact that the Leader of the Opposition managed to get hold of last year's report and read it out on platforms, but the report for this year when published is going to give that figure of 22%, but I told him today that there are still teething problems with the unemployment continuous household sample survey and I did not rewrite on those statistics which I inherited to prove anything about what we have done. However, if hon. members care to look at page 16 of the Economic Survey they will see that these figures which are not percentages show that 87,900 people were working at the

end of 1975, 91,000 at the end of 1976 — 3,100 more — and 90.2 thousand at the end of 1977. There is in fact an error, Sir, in my opinion it is not end of year 1978, that should be first quarter 1978, 91,600. They are the figures which can be found in the book.

The hon. member for St. Lucy, speaking about the unemployment levy, says that he doesn't think it is true, he believes employers under reported their employment in 1977. Well, if he believes that he will believe anything, because an employer has a financial interest in saying he is employing people since they go against his income tax. All the wages he pays out are allowable against his income tax and he gets back 55% of the wages he pays out. Therefore, I cannot imagine any circumstances in which an employer would tell lies about how many people he employed in 1977 and lose 45% of their wages in order to gain 2½% of the employment levy. That is a piece of logical madness that I really wonder what the hon. member teaches the students at the Labour College. I could only wonder his capacity to teach anybody anything if he has so limited a capacity to understand.

The hon. member for St. Michael South also adverted to the situation of different statistics. I trust I have explained the different statistics to him. The different statistics arise out of the concept of the voluntary idle which was introduced before I was in office. We had no way when writing the Labour Party Manifesto of getting accurate figures because they were never published by the previous Government, and I challenge any hon. member to say where and when accurate figures based on a household sample survey were ever published during the previous administration. There have been various figures published that showed that unemployment was 7.9% in 1960, that it was 8.1% in 1970. These are figures assessed by the World Bank. The Leader of the Opposition is correct from his seat in saying that, but there have never been figures published on the household sample survey. The World Bank figures for 1979 will state that the unemployment rate keeps at 22% towards the end of 1975, it declined thereafter as the economic recovery gathered momentum, and by the first quarter of 1978 stood at 12%. That will be in the World Bank official report, so I don't know what hon. members are suggesting.

To tell the honest truth, Sir, as far as the hon. member for St. Michael South Central is concerned, an argument which says that he knows that unemployment was increased should normally only be dismissed with contempt by people who think seriously about the economic problems of the country.
9.10 p.m.

Someone who treats unemployment figures as he treats a stomach ulcer does not deserve serious

consideration. The hon. member suffers under a great handicap. He is a doctor and he is accustomed to looking people in the face when they have a pain in the stomach and saying you have a stomach ulcer or appendicitis or whatever. Now the people do not know; they cannot see inside themselves and the hon. member has got himself into a condition where he believes that any diagnosis he offers, because it is accepted by his patients, will also be accepted in the political life of this country. I do not remember which hon. member said that 60% of the patients who go to a doctor would get better even if they did not see the doctor. I do not remember who said that but I know it was said by one of the medical experts in here. But a country's economy is not like that; it will not get better if a false diagnosis is made. The hon. member must educate himself to the fact that in economics and in Government — as in law — you use evidence; in medicine you use intuition, but sometimes that intuition proves incorrect. Many a doctor has been said to have opened up a man for appendicitis only to find the appendix already out. But in economics you have to go by evidence.

The hon. member said that I failed to acknowledge that unemployment is the No. 1 problem of the country. Now I devoted two minutes in the Budget to discussion of employment statistics I said that somebody from the United Nations was coming down to deal with the matter and that it was a matter that concerned us all. I said that I was trying to refine the statistics, and I went on to discuss head counts which we have tried in these areas. Does that show a lack of interest? I believe that it is the greatest amount of interest ever given to unemployment in a Budget Speech. The principal contribution of the hon. member for St. John as regards unemployment when he was Prime Minister was to say that there would be full employment by 1976. A very charming gloss was put on this by the hon. member for St. Michael South who said: "It is the stated aim of the D.L.P. Government to work towards full employment by 1976." That was a plea in mitigation; he knew that a wild and foolish statement had been made and he was trying to drive that statement out of our minds by an act of courtesy towards the leadership.

But sector by sector we have tried. I said in this Budget that we have made a count of workers in the construction industry. The Deputy Prime Minister made a count in the manufacturing industry. In the Economic Report it will be found that net employment in industry in 1978 amounted to an increase of 1,010, which incidentally is the biggest increase ever. All of that is based on head counts. The hon. member for St. Michael South West read from the 1977 Central Bank Report. This is 1978 we are dealing with now but let me read from the 1975 report when he was in charge of industry: "In the manufacturing sector there was net employment of 340 persons. However, the low level of construction activity resulted in the loss of a number of jobs, and in

the public sector there was some retrenchment in the casual labour force. Approximately 200 new jobs were created, 200 through expansion, 240 through existing companies. The additional employment was partially offset by the loss of 300 jobs due to closure of four companies. This was a small improvement on last year when there was a net loss of 500 jobs." Mr. Speaker, all of us can read the Central Bank's reports. The difference is that I am reading about 1,000 new jobs under the regime of the hon. member for Christ Church South Central, the Deputy Prime Minister, and about a net loss of 500 under the regime of the hon. member for St. Michael South West. We can all read reports but it seems only some of us can draw the correct conclusions.

Perhaps I should go from the beginning all over again, and I want to start with the hon. member for St. John and his speech. He said the purpose of a Budget is to inform, and then he went on to say that there was nothing wrong in not bringing a Budget in 1975. But I must ask why did he not want to inform the people in 1975? This is what we mean by open Government, and I can give a pledge that even if there is no need for new taxation, this country will get a Budget every year while I am Minister of Finance.

I observe that the hon. member said that I have rescued the country from the mismanagement of the previous administration. It would look good in print, Sir, but I will not dwell on it any further at this stage, because the hon. member made charges which if they had been made in a debate where perhaps we were not quite so keen in getting on with the job and were prepared to interrupt each other with the force that we sometimes do, might have given rise to some objection, because the hon. member accused me of things which if he had said them on a political platform might redound to the disadvantage of his pocket, because he accused me of manipulating the Estimates in order to influence the course of the negotiations of salaries of public officers. That is a very serious charge, to accuse people of manipulation. Your Honour picked it up.

Mr. SPEAKER: The Leader of the Opposition must conduct himself much better.

Rt. Hon. J. M. G. M. ADAMS: The hon. member may have his virtues — and there are few — but when it comes to openness and straightforwardness in politics he has never included among them the virtue of consistency. This year he "pooh-poohed" structural deficits. The hon. member for Christ Church West has already read from the debate of the 14th of March last year in which he said: "I agree with him" — meaning me — "that we are well into a stage of structural deficit," and he went on to say that it was not just structural deficit but a deep stage of structural deficit. Now hon. members can judge the quality of a speech

delivered by someone who says there is no such thing as a structural deficit in 1979 but who in 1978 said it was a deep structural deficit. You can judge what has led him to this total and utter inconsistency. Is it some fundamental flaw of character which makes it impossible for him to be consistent or truthful? Is it amnesia? Or is it merely the process of mental arrest which comes to all of us when we find ourselves in a position which we are no longer capable of holding?

But the hon. member did not leave it at that. He spoke of manipulation. Now I have checked the Estimates for which he was responsible. There were 15 of them, and in every single one of those Estimates he under-estimated the Government's revenue. The average under-estimation was 14.2%, and he reached a pitch of under-estimation in one year of 30.3%, which is much higher than the under-estimation of which he accuses me. There are explanations why you can have under-estimation of Government revenue. When revenue is estimated you do not know what the effect of the budgetary measures is going to be because you do not know what the budgetary measures are. A Minister of Finance when he is bringing the Estimates has very often not settled the Budget. We have had two Budgets — 1977 and 1978, both of which imposed taxation and therefore of necessity more revenue was brought in than estimated.

9.20 p.m.

That is the answer to the manipulation charge. The hon. member added to it by saying that when the Nicholls Report came out, you then saw that the country had a surplus. Now this was a very serious charge. The earlier charge of manipulation was accusing me of being over protective on behalf of the Treasury, because it was accusing me of holding down Public Servants' salaries by the under-estimation; but the charge of the Nicholls Report is a more dangerous and wicked one altogether, because it is accusing us on this side of manipulating the figures in order to justify increased salaries for ourselves.

But the Nicholls Report came out in 1977, long before there was any surplus; and we did not publish the Nicholls Report or come to the House until the surplus had asserted itself. That is the whole point. It was a wicked charge; a malicious charge made on television in full view of the public; and that is the answer to it. We all heard the hon. member say that he has never attended the House of Assembly yet for a salaries increase of members. In 1954 he was absent from the House during the debate. In 1957 he had lost his seat and was not in the House. In 1967 on the 31st January, reported in the Official Gazette on page 142 of that year, and I am going to read it, Sir. "Mr. Speaker, the next Order of the Day, No. 3, stands in the name of the hon. learned Prime Minister to move

the second reading of a Bill to repeal the Ministers and Parliamentary Secretaries Remuneration Act, 1964, and to make provision for revised salaries for Ministers and Parliamentary Secretaries."

"Hon. E. W. BARROW:" I believe that is the Leader of the Opposition. I believe that is the man who said that in 28 years he was never in the House for a salaries revision. Mr. Speaker, again his story. "The remuneration was fixed by the Executive Committee Act of 1949 which was assented to by the Acting Governor on the 21st July, 1949." Then he talked about the ministerial system in 1954. He said how the rates of remuneration were fixed then. He said how he reduced the Speaker's salary at some stage — I hope you are never Speaker if he should happen to have that opportunity again, Sir.

He went into all that matter. He spoke about the Gardiner Browne proposals to evaluate the salaries of the Ministers and Civil Servants, and he introduced the concept of the ministers getting more than the Permanent Secretaries. He did it, Sir, and he has said it over and over again — I mean the Leader of the Opposition, the hon. member for St. John. I believe that he is the same person as Hon. E. W. Barrow. He has said over and over again that he has never been in here for a salaries increase; and he moved an increase for himself to get \$16,800 a year. (*Cheers*) I do not deny him. I do not grudge him; and more than that I feel that we should write off the pension that he had drawn illegally. I do not believe that we should try to get it back out of his hands. (*Aside*) Never mind that. Well, Sir, we can judge in these circumstances of the hon. member's attack on the integrity of the present Minister of Finance in this particular case — manipulation, structural deficit, all of these matters.

Well, Sir, still dealing now with fiscal policy generally, I would like to deal with the contribution of the hon. member for St. Michael South. He gave us a lecture Sir, on three different types of budgets. Now I thought he was a lecturer at the Community College. I do not know that he was back at primary school; because he describes this budget as a "surplus budget" which tends to reduce the level of economic activity in the country. He spoke of inflation.

Now, Sir, that is a very serious mistake; and he obviously did not follow the Budget Speech, because if he had followed the Budget Speech, he would have heard me say that we are always in deficit, and that we were paying too much attention to the surplus on current account, and that what really had to be looked at is the overall deficit, current plus capital. There are very few countries in the world today, Sir, which can afford to run a surplus on Government expenditure; and without having analysed all 150 members of the United

Nations, I would venture to say that the only countries in that position are oil-producing countries or countries producing a mineral for export generally, countries with small populations or federal countries where the component units have a lot of financial power.

Now the U.S. can afford to balance its budget because the U.S. — the Federal Government — does not have to spend any money from the Federal Government on health or education; and the United States Government is notoriously over provided with taxation. They have to look for ways of spending money because the big spenders are in the hands of the states or local Government; but there is no local government in Barbados, and all the money in Barbados has to be spent by the Central Government.

Therefore, in my view, it is a mistake to think of any surplus expenditure or financing; and I think that the hon. member is really quite wrong in describing it as a surplus budget. Sir, a number of hon. members on both sides of the House spoke generally on fiscal policy. Now, I want to thank the hon. member for Christ Church East, the hon. member for St. Michael South East and the hon. member for St. Michael North West for the general contribution that they made on the fiscal policy and also on the general economic policy of the Government. The hon. member for St. Michael South West also praised the Government with faint praise, as they say, because his criticisms of the general policy of the Government were so meagre, so polite, so low keyed, that we on this side accept them for what they were; because he was telling us in the only way that the Opposition can tell you, "Well done boys, you have done a good job;" because if you just criticise very, very slightly, and when you just let your hands pass through the air and do not bring down the rod and you are in the hon. member's position, you are offering what is really praise.

However, the hon. member for St. Michael South Central made a speech that he has made at least four times in here. I refer to the hon. doctor. He has had it written up in the newspapers. When it did not satisfy him, he sought assistance to get it written out in a form which did satisfy him. Fundamentally, it consists of a repetition of a lot of figures which have been got out for him. Now, I am going to start with the National Debt. He said, that it had reached \$370 million. He has said that many times, Sir, and the speech made by the hon. member in here, honestly I think, all of us have heard on every occasion that the situation permitted and the Rules of the House permitted.

Now, I am going to point out something. That is how he puts the figures. He says that in all the years of the DLP regime.....

Mr. SPEAKER: I take it that you are referring to the hon. member for St. Michael South Central.

Rt. Hon. J. M. G. M. ADAMS: Yes. The hon. member for St. Michael South Central. He says, that in all the years of the DLP regime, the National Debt only increased by \$220 million and now it has increased by another \$130 million since we have been in power. I am going to offer him another statistic now. In the 15 years before the Barbados Labour Party lost power in 1961 the National Debt increased from £605,000 or \$27 million. That is from \$3 million to \$27 million in 15 years.

9.30 p.m.

Now I would not be such an ass, I would not be such an idiot, I would not insult my own intelligence as well as that of others as to get up to say that because during our fifteen years of power from 1946 to 1961 the debt only increased \$24 million, that it increased \$200 million under the Democratic Labour Party, and that that meant that by itself the Democratic Labour Party was governing the country badly. It represents a difference in the value of money and it represents different forms of Government financing. For that \$24 million the Barbados Labour Party built the Deep Water Harbour with \$18 million of it and it built the airport and it half built the Queen Elizabeth Hospital. That is how you look at it. You can say it is a great achievement, but the mere fact that the debt was only at that level, the increase is not in itself a matter of argument. What has happened with the hon. member for St. Michael South Central is that he is capable of seeing an equation 2 plus 2 equal 4, and he says, Mr. Speaker, since the Barbados Labour Party has come to power, do you know that 2 plus 2 equal 4? That is the entire value of his argument. It had no other value. The only substance of it is that he is reading figures that somebody has prepared for him and the figures may or may not be accurate. He does not understand them.

I had some other figures. I just want to contradict what he said. He said Central Bank financing of the Government of Barbados amounts to \$79 million and he says this is equivalent to printing money, and that is bad. He did not use the term "printing money", but that is what he was developing and leading up to. I took the precaution of ringing the Governor of the Central Bank shortly before dinner, Sir; the Central Bank of Barbados holds no debentures of the Government of Barbados and it sold the last Treasury Bill for the Government of Barbados yesterday afternoon, and the story of \$79 million uttered by the hon. member for St. Michael South Central is as false, as untrue, as wicked as the stories by the hon. member for St. John about never being in the House for the increase in salaries of

members of Parliament. He is a good teacher. The hon. member for St. John says he cannot add, he cannot spell, but he is still a good teacher. The two are well matched in their approach to politics, very well matched indeed.

Now the hon. member spoke of the foreign debt of the Government. The cost of servicing the foreign debt of the Government of Barbados, what is called external debt service ratio which is the ratio on servicing the debt divided by the amount of exports of goods and services is 2.3%, which is petty, actually a trivial thing. Ten percent would be considered normal and not by any means unreasonable. It is 2.3%, and if any hon. members are worried about the position of the Government's foreign debt, and listening to what the hon. member for St. Michael South Central is saying about the foreign debt, you really would believe that we are on the point of breaking down. Listen to what the World Bank has to say about it. "With a public external debt service ratio representing 2.3% of export earnings in 1978 and debts outstanding and disbursed amounting to \$U.S.58 million, less than 12% of G.D.P. at the end of 1978, Barbados has a modest external public indebtedness. The current external debt profile is relatively favourable and is expected to continue to be so. In the light of this import debt burden and favourable growth Barbados may be regarded as credit worthy for loans on conventional terms for the estimated external capital requirements for the public sector investment programme."

Now I will tell the public this, all those who heard Richie Haynes figures, the hon. member for St. Michael South Central; you can believe him or you can believe the World Bank.

Mr. SPEAKER: I do not think you should refer to the hon. member by name.

Rt. Hon. J. M. G. M. ADAMS: I beg your pardon. You can believe the hon. member for St. Michael South Central or you can believe the World Bank; take your choice. I know what the choice of all sensible and right thinking people would be. If the national debt of Barbados reaches \$500 million by 1981 and 1982, and it may, it will be because we have built the Post Office, a Hall of Justice, 1,000 houses for renting to poor people, put down the sewage plant, built the Spring Garden road and nearly finished the Polytechnic. That is what that money would be used for. If it goes up another \$200 million, there will be where the \$200 million will have gone. In 1974-75 when Barbados had its record deficit, the money went to pay civil servants salaries. Where is the money now? In the hands of motorcar workers in Yokohama and Coventry, refrigerator makers in Italy. That is where it is. Where will it be if we have to borrow money in 1982? It will be in jobs in this country, in a

fine new Post Office, in homes where the people of this country live. Don't be carried away by these statistics; don't be carried away by merely hearing a figure and thinking that the figure has some importance other than in the imagination of the hon. member for St. Michael South Central.

Now there are one or two smaller points which I should like to deal with. The hon. member for St. John who booed the repeal of the betterment levy said there were no old people who would benefit from it, that there were only two people he knew who had had to pay. Now the facts are that there were two people who applied to the hon. member for relief: one was a senior civil servant; he did not get the relief; the other was an application in respect of some land sold to Sam Ashby down at Bathsheba and he got the relief. Now let me tell you who I am giving the relief to. The civil servant will presumably get it. I did not see an application, but presumably he will. I am giving the relief — I am only going to call the first name — to Richard who has a parcel of land down on the East Coast Road, is 77 years old and an old age pensioner, and he cannot even graze his stocks because of the soil conservation schemes. I am giving it to Ellen age 83, a pensioner at Cattlewash; I am giving it to Emeline aged 93 who had to get a lawyer to write a letter for her to appeal. I am giving it to Roslyn aged 74; Koziah, another pensioner. They are who are getting the relief from the betterment levy. These are the people that the levy was put on. Sam Ashby got the relief, \$13,000. I am now giving it to some pensioners. I am giving it to Charles and Millicent aged 87 and Charles aged 71 in Cave Hill; they are who are getting the relief.

Now there are some things that I can't really spend too much time on because hon. members perhaps on the opposite side were so taken aback that they did not deal with them. Income tax: the hon. member for St. Michael South Central said there was not enough income tax relief, and he cannot remember what the estimate for income tax collected last year was. I think it was \$84 million. I am giving \$11 million in relief. Does the hon. member want to become a millionaire for the second time overnight? When he is finished with the allowance — he is not telling you that for every \$1,000 of allowances he is getting \$700. He is not telling you that. Every \$100 of allowances cost the Treasury \$1.8 million and it puts more money in the pockets of the better off than of the poor. That is why the hon. member for St. Michael South Central is calling for the allowances to be increased. I am giving a tax credit to help the people at the bottom and I have given something in the middle, and perhaps the day of the middle will also come; but \$11 million, Sir, is so much more I think than any hon. member could have expected that I do not really blame the prudent ones on the other side for not touching on the subject.

9.40 p.m.

The hon. member for St. Lucy, Sir, had this gentleman who is married with three children. Now these are remarkable children because they do not take the school bus. Now there is no increase in school bus fares, but they do not take the bus so they have to pay \$1 increase in bus fares. His wife does not work but she goes out ten times a week. She does not have small children to look after because the youngest child is at school and I am hearing that this family is working for \$500 a month. I say no more, Sir, I believe that if in those circumstances that the wife is going out ten times a week and is not working, I believe somebody would be coming for her in a car. Anyway, Sir, it just shows the pit-falls into which you can drop when you attempt to construct examples to demonstrate a situation that cannot be demonstrated. Numerous similar points, Sir, were touched on which I would just mention.

I would like to thank the hon. member for Christ Church East for his contribution on the matter of saving. Indeed, I would like to thank the hon. member for St. John on the same contribution. I am glad that I have given him the opportunity to see a dream come true. In 1963 in his second Budget he said that there should be some sort of a Savings Council in Barbados. That was in 1963. It is only 16 years ago. I am very glad that he was Minister of Finance for 15 years and was unable to make it come true but I have made one of his earlier dreams come true in this year of 1979. I appreciate what he has said. We now have our own Central Bank. We have our own Savings Schemes and we must all try to make it work.

I would like to thank the hon. members for St. James and St. Philip North for their contributions on Housing and the hon. member for the City in particular for what she said about pensions and I would like just to add to that that the Minister of Communications and Works has asked me to add that in my Budget Speech itself I omitted to mention that on Sundays anybody over the age of 65 can use the bus all day free, Sir. (Cheers). I omitted to mention that. They can go to church and come away from church without having to pay bus fares.

On the question of electrification, many hon. members have commented on this. The hon. member for St. George North, my own M.P., a very good service he renders indeed, Sir, and I am glad to see that he is fighting for all the people in his constituency. Also the hon. member for St. George South. St. George is in fact the least electrified parish. St. John apparently is complete, Sir. There are no outstanding applications for electricity from St. John but St. George has not been well

served. That is no doubt due to the fact that it had number 10 and number 11 on the Democratic Labour Party side representing it in the old days. I am just repeating what the hon. member for St. John said sometime ago.

The comment which was made by the hon. member for St. Michael South West that the Electric Company could have finished the job shows that he has missed, if he does not mind my saying so with great respect, the point. If the Electric Company finishes the job this will be reflected in the rates because they will add that cost to the rate base. We are hoping to avoid the full effect of this by taking equity in the Company to give a direct injection of capital. It is not our policy to buy shares that already belong to somebody, Sir. We are injecting the new capital into the Company for this purpose.

The hon. member quite correctly points out that wholesale prices have gone off the scale in the United States and said that the Budget has not dealt with this. Well I am only Prime Minister here, Sir. When I become President I promise that I will do my best in the state of the Union Message to persuade Congress to deal with that problem. I cannot at the moment do anything with wholesale prices in the United States.

The Government, according to the same hon. member, said that the Government did not get the price of sugar that we should have got. I am informed that it is not entirely accurate that there was Sugar in the warehouse at the 1st July cut-off date. That is why the Central Bank reserves for last year picked up at the speed which we did not expect them to pick up. It was late receipts of sugar money in the suburbs.

On the question of Industry, the hon. member's information is that industrial production did not do well last year and he selected particular areas where there was a short-fall. The hon. member made a mistake in the statistics with the cars but he did not make a mistake in the statistics in the Economic Report. The statistics in the Economic Report, so far as I know, are accurate and I would advise the hon. member to stick to them. Industry as a whole improved by 4.2% last year with 1,001 in new jobs. I do not believe that that is something of which any hon. member should complain.

I want to touch on Water rates. The hon. member for St. Michael South has this unfortunate albatross around his neck that he signed a document agreeing to double or perhaps triple the Water rates for the people of Barbados. I think triple is nearer. He said that he signed a document to carry out a study to raise the rates gradually by 1990. The hon. member is in error. The study has been carried out. It is now being studied. The rates are not to be raised by 1990. The document that the hon. member signed said that the rates are to be completed

within three years from the completion of the project which will be in 1982. The study shows that sewage cannot possibly carry all the rates as he once suggested in here. There is no doubt that Water rates must be raised. They must be raised otherwise the International Agencies will black-ball us and that will be the end of us for assistance which we still need.

The hon. member for St. Michael North Central said that the poor people in the country are still watering their gardens. I wonder if they are on meters or if they still have the fixed rates. The hon. member's knowledge of this will be greater than mine since he was once Minister but I believe that the fixed rate is much more lightly.

Now I will deal with the Balance of Payments, Sir, because again this was mentioned by the hon. member for St. Michael South Central. Now, Sir, I would not normally take on the hon. member for St. Michael South Central on a subject like Balance of Payments on which he obviously knows nothing. I have left him to Hashem Degia, David Seale and all the other people whom, where economics are concerned, are more on his intellectual level. We have heard something in here today about intellectual levels. I think I heard someone compare the hon. member for St. Michael South Central favourably to the intellectual level of the Minister of Education, the hon. member for St. George South.

Now, Sir, a couple of us in here are Barbados Scholars. One of us, the hon. member for St. John, is even an Island Scholar. The hon. member for St. George South is a Canada Scholar and as far as I know he is the only body in Barbados who got first Class Honours in the University in Classical Studies. I am never one to feel that I am too important to respect other people's academic and intellectual achievements. He won the Canada Scholarship to go to Oxford University. I won the Barbados one to go there so I do not know why they are trying to decry the intellectual achievements of the Minister of Education. When he speaks it makes a good deal more sense than the hon. member for St. Michael South Central.

It has been pointed out to the hon. member, he has had assistance, he has had an actuary, he has had a Civil Servant, he has had Officials of the Central Bank and he was even getting phone calls in here today from the Manager of Bank Breweries about Income Tax. All of these people are assisting him and yet he cannot get into his head that nothing that the Barbados Labour Party did could have caused the Balance of Payments to go down by \$11 million in the month we came to power.
9.50 p.m.

Does he feel that I picked up the money and wrote a cheque for it? That was payment for goods ordered

months before. Some of the very people who have ordered the goods have told him that and he still comes in here and repeats it as if it is a fact.

Now, I heard the hon. member for St. Michael South. He took us all round the world. Alexander the Great, Henry VIII and his child by Jane Seymour. He said that Alexander the Great took back gold to Greece and caused inflation. Alexander the Great never went back to Greece after he left it to conquer Persia, Alexander the Great went to India and he returned to Babylon when the fearful Macedonian, Palang, refused to fight and he died at Babylon in his 37th year, he never went back to Greece to carry gold or otherwise. The hon. member talked about Henry VIII, and this is really the point, he talked about Henry VIII debasing the currency. Now about that time an economic law, we call it Grecian's law, came into current vogue, and Grecian's law is that bad currency always drives out good. In other words, if you trim the silver dollar so the amount of currency in it is only worth 95 cents, the people will keep the untrimmed dollars in their pockets and only spend the trimmed 95 cent pieces. Bad currency drives out good.

Now the Democratic Labour Party is adding a new dimension to this equation. They are saying that lies will always drive out the truth, and they are repeating these statements, and the more untruthful they are the more force with which they are repeated, and the hon. member for St. Michael South Central repeats these figures, the national debt figures, as if they represent a new and profound stage in economic thought in this country, when all they represent is his lack of capacity to go beyond Grey's Anatomy or whatever textbook he now uses to diagnose his patients, and it is an unfortunate thing that in politics there is a tendency for a clever lie to drive out the unvarnished truth, and that is the only comment I can apply to his financial arguments on the balance of payment.

There is one particular matter, he spoke of the compensatory facility. He said we applied for it, but we applied for it and we got it. Do you know who else applied for one? The United States of America. There is nothing unusual about applying for a compensatory facility, you get it when your export prices fall within certain limits, and it is not anybody else's money, it is your own money that you put in the IMF that you get back out. It is not the Special Fund that you apply to the IMF for assistance from, it was our money we got back. I was in the House and I remember asking the hon. member for St. John where he was going to get this gold to deposit in the IMF. We deposited gold, we deposited some of our own currency, and we deposited United States dollars. We have been very fortunate with the gold, in fact we received a lot of gold and we have done some very substantial gold trading during the past year on gold

which we bought at the beginning of last year at \$40 an ounce and I instructed the Governor of the Central Bank to sell half our gold reserves when the price was \$240 and in fact he sold it and we made a very reasonable profit on that gold, but it is there for those purposes. It is there to be converted into dollars, to be drawn down in an export facility when export prices fall, or whatever. Our export prices fell, the price we were getting for sugar in 1975 fell very drastically and we drew on the compensatory facility to make up the shortfall in export prices. There is nothing disgraceful about it. The United States has done it and it would go without saying that Great Britain and other similar countries have done it.

Sir, I am almost at the end. There were some comments about the wage price movement. Now, inflation has undoubtedly continued in Barbados, but hon. members have evidently not followed the Economic Report on Wages and Prices nor have they followed the careful argument in the budget about the condition of inflation now and the condition of inflation in 1973-75. Nobody should really quarrel that the previous Government could not achieve growth in the difficult years of 1973-75. It is a fact that little growth was achieved but that was common to many countries, but this is what we are saying, and it was said in the budget. Between 1973-75 when price control was at its height prices in Barbados rose twice as much as they did in the United States, Britain and Canada, and once and a half times as much as they did in CARICOM States. That is a fact. Now in the last three years prices in Barbados have risen less than the collective prices in the United States, Canada and Britain and in CARICOM States. I am going to compare those, because it shows that with all the price control which was principally a publicity stunt by the hon. member for St. Michael South West, that prices were rising much faster in Barbados than in our trading partners. He was doing a thoroughly incompetent job of keeping down prices in this country. The two Ministers who have been responsible for price control have kept our rate of price increases below that of our partners. Now I will compare that, not growth rate, and I will go on and say this. In 1977 and 1978 prices in this country rose by 17.9%. Please turn, Mr. Speaker, to the Economic Report, page 46, and also to the Central Bank Annual Report, Vol. VI, No. 1, which was read by the hon. member for St. Michael South Central. Wages at that time in those two years have risen 29.2%, so the rate of price increase is under 18%, the rate of wage increase is almost 30%, so although prices have gone up people have had more money in their pockets to spend, and it is reflected — I must confess that I have five year figures — it is reflected in volume consumption figures for a greater number of items.

I read something about soap and toothpaste, I see that somebody is canvassing the Nation, they must be

canvassing against Mr. Boxill, not against me, and talking about these things. The consumption of toilet soap in Barbados has risen 47% in five years, the consumption of toothpaste — I am not speaking of value, I am speaking about the amount of toothpaste — has risen 18%. You hear all the talk about corned beef, but three times as much corned beef was imported into this country last year as was imported in 1973. The consumption of beef has risen 34% in five years, chicken 26%, 20% more people had water in their homes, 17% more people had telephones, and I can go over the whole range. There are 39% more cabbages in this country, these are volume figures, and these are figures that show that people are better off. I am not talking about money, I am talking about the kilograms of cabbage, I am talking about the kilograms of beef. It started as pounds and now it is kilograms. That is what I am talking about, and they are figures which are important. Read the Economic Report; it should be there. Travel abroad by Barbadians increased 15% in five years, and if you think that that points to a country which is worse off, well I can only say, Mr. Speaker, that whoever thinks that must have the type of thinking of the hon. member for St. Michael South Central.

10.00 p.m.

Sir, I am at the end. One last point I want to make. One hon. member referred to soft drinks and the fact that an increase in the price of soft drinks had already been announced from four something per case to six something. Hon. members will perhaps care to know that this morning I summoned the soft drink manufacturers to my office and informed them that no later than tomorrow if they did not reduce the price of soft drinks from \$6.24 per case to \$5.76, a price control order would be made on soft drinks on Monday. This Government tries hard; do not tell us that we do not believe in price control. We have reduced mark-up; we do not give percentage mark-ups now as automatically as the hon. member did. We do not scratch people's back secretly and curse them in public. We have a consistent policy in keeping down prices and that is why we are able to keep price increases down below the level of say, in Great Britain; around the levels in the United States, while the hon. member was not able to keep them below twice the levels in those countries.

Mr. Speaker, I want to thank all hon. members for their attendance at this Debate. I think the House has done extremely well over these two days and I think that open Government has been made a reality of this debate. All hon. members have contributed to the debate, and I would like to thank you, Mr. Speaker, for your firm manner of presiding over the occasion. It has certainly been the best behaved meeting of Parliament that virtually I have ever attended. I would also like to thank the staff for their faithful attendance, and the staff of the Caribbean Broadcasting Corporation as well.

Finally, Mr. Speaker, I would like to thank the people of Barbados whose sacrifice has made it possible for me to be able to give away \$11 million in income tax relief, to give old age pensions of \$20 a week, and made it possible for all of us to look forward to a better deal in the two years to come.

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

AYES: Rt. Hon. J. M. G. M. ADAMS, Hon. H. B. ST. JOHN, Hon. L. S. CRAIG, Hon. C. L. BOLDEN,

Hon. L. B. BRATHWAITE, Hon. L. R. TULL, Hon. Miss B. A. MILLER, Dr. CHELTENHAM, Mr. BRADSHAW, Mr. SISNETT, Mr. SIMMONS, Mr. ALLEYNE, Mr. ODLE — 13.

NOES: Rt. Hon. E. W. BARROW, Mr. TAITT, Mr. SANDIFORD — 3.

ADJOURNMENT

On the motion of Hon. H. B. ST. JOHN, seconded by Hon. L. S. CRAIG, Mr. SPEAKER adjourned the House until Tuesday, 8th May, 1979 at 12 noon.
10.10 p.m.