
THE

House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1976 – 81

HOUSE OF ASSEMBLY

Wednesday 9th April, 1980.

Pursuant to the adjournment, the House of Assembly met at 4.25 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); 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. V. L. JOHNSON, M.A.; Mr. B. M. TAITT, M.A.; Hon. L. R. TULL, M.A., (Minister of Education and Culture); Mr. DeL. O. BRADSHAW; Mr. L. L. SISNETT, Dr. R. L. CHELTENHAM, M.Sc. (Econ.); and His Honour E. E. ALLEYNE, LL.M., (Deputy Speaker).

Prayers were read.

Rt. Hon. J. M. G. M. ADAMS, Rt. Hon. E. W. BARROW, Mr. SANDIFORD, and Dr. CADDLE entered the Chamber and took their seats.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, the 1st April, 1980.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, these Minutes have been circulated and subject to any observa-

tions as to errors by any hon. member, I beg to move that they be now confirmed.

Mr. SPEAKER: If there are no observations by hon. members let those Minutes stand confirmed.

Mr. WEEKES entered the Chamber and took his seat.

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: I have to announce that I have received copies of the Accounts and Statements for the Month of February, 1980, as prepared by the Accountant General.

PAPERS

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I am commanded to lay the Economic Report 1979.

Hon. L. S. CRAIG: I am commanded to lay the Annual Report and Financial Statements of the Parks and Beaches Commission for the year 1976–77.

GOVERNMENT NOTICES

Hon. H. deB. FORDE: I beg leave to give notice of a Bill to provide for the protection and punishment of crimes against internationally protected persons and related matters.

BILLS READ A FIRST TIME

On motion of Hon. H. deB. FORDE, seconded by Hon. L. S. CRAIG, a Bill to provide for the protection and punishment of crimes against internationally protected persons and related matters was read a first time.

ORDERS OF THE DAY

Order No. 1 was called – To present the Annual Financial Statement and Budgetary Proposals.

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

Mr. Speaker,

The decades of the 1950's and 1960's were years of marked improvement in global living standards, when the hopes of the international community that destitution and want could be eradicated from the poorest countries of the world by the end of the twentieth century did not appear unattainable. The decade of the 1970's which promised so much in the fulfilment of human expectations saw the emergence of very serious problems of international inflation and energy shortages, and everywhere economic growth faltered. The easy assumption of inevitable and continuously improved living standards for all had to be abandoned. The decade of the 1980's has begun on a very sombre note.

In the last year, oil prices have increased at a rate considerably surpassing that of 1973-74. It is necessary to point out that all the direct and indirect effects of these increases have not yet been fully felt in Barbados, particularly the impact of rising electricity rates and higher prices for gasoline. This is a gloomy reminder of the critical situation facing all oil-importing countries as they adjust to the pricing and production policies of the oil-exporters. Inevitably, these increases will affect the prices of final, intermediate and capital goods which have to be imported to sustain acceptable level of domestic development. Associated with the energy crisis, but not caused solely by it is the persistence of unusually high rates of inflation in the major industrialised countries of the world.

The outlook for 1980 in the world economy as assessed by all the major international financial institutions is very discouraging indeed. In addition to energy problems and chronic inflation, some of the major developed countries face severe structural problems of adjustment, growing unemployment and sharply reduced rates of economic growth. These pressures create great political difficulties for Governments of democratic countries and lead to strident calls for increased protectionism.

As the Economic Report which I lay today in the House, Mr. Speaker, and on whose highlights I will shortly touch indicates, Barbados' economic performance in 1979 was very satisfactory. I think it necessary, however to relate the Barbados experience to developments in the global economy because, while we are in some degree masters of our own fate and by our own actions can assist or retard development, it would be naive to imagine that Barbados could continue to prosper if the world economy of which we are an integral part experiences recessionary conditions. I consider it therefore necessary at the outset of the presentation of the Budgetary Proposals this evening to appeal to the good sense of all Barbadians, which has served us so well in trying times in the past, to exercise restraint both in their personal spending habits and in their demands on the domestic economy. Unless we

can restrict the growth of personal consumption within limits which will permit the attainment of adequate levels of investment, it will not be possible to sustain required levels of economic expansion. All will suffer in the long-run, even though some may gain temporarily at the expense of others.

The Government recognises its responsibility to identify the constraints to development and to devise and implement workable solutions. Accordingly, in December 1979 the Development Plan for 1979-1983 was laid in Parliament. This Plan represents a serious attempt to undertake the task of national development in a comprehensive way and through the adoption of appropriate policies, the creation of relevant institutions and the implementation of sound projects to provide more jobs and higher income levels for the people of Barbados. The Plan outlines the role of Government in the national economy over the next four years. Its philosophy is rooted in the firm belief that the path of development which Barbados has followed in the past is the path best suited to our national temperament and to our needs. It takes as its starting point the continued operation of a mixed economy in which private and public initiative acting in consort provides the impetus to growth and creates a climate in which the individual talents of our people can be fully realised for the benefit of the country as a whole. As I have said on previous occasions, it is the function of long range development planning to address the problems of structural adjustment and resource mobilisation in a medium-term perspective. It is the function of a Budget to alter the system of fiscal incentives and disincentives in such a way that fiscal policy, which is but one of the instruments of policy available to the economic managers of a country, contributes to the realisation of national goals.

Developments in the International Economy 1979

During 1979 the world economic situation remained unsatisfactory in several important areas. Among the unfavourable developments recorded were steep increases in the price of oil, slower growth rates, rising unemployment in both developed and developing countries, resurgence of inflation, major payments imbalances, increasing protectionist pressures and sluggishness in the growth of world trade.

The average price of oil rose by some 40% between 1978 and 1979 compared with a 19% increase between 1977 and 1978, which, in addition to rising interest rates, generated widespread increases in consumer prices and resulted in strong gains in the rate of inflation in most of the non-oil producing countries. Inflation in the major developed countries increased at an annual rate of 12%.

Gross National Product expanded more slowly in the major industrial countries during the year and the rate of growth for the group was 3% compared with a 3.9% increase in 1978. Japan and Germany recorded the best growth performances in the developed world of 6% and 4.4%, respectively. Unemployment remained high at an average rate of 5.2%.

The economies of the non-oil developing countries were adversely affected by the lower growth in the industrialised countries and the higher fuel prices. These

countries experienced a further deterioration in their terms of trade while the rate of growth of export volumes decelerated.

Developments in Caricom

During 1979 most of the countries of the CARICOM Community experienced depressed levels of economic activity. Volcanic eruption in St. Vincent, severe flooding in Jamaica and hurricane devastation in Dominica adversely affected agricultural production while industrial unrest led to a reduction in output in Jamaica and Guyana's main sectors. Of the major foreign exchange sectors throughout CARICOM only tourism recorded any significant level of growth.

All major exports of the region – sugar, bauxite, petroleum, rice and bananas – declined substantially during the year. In Guyana and Jamaica scarcity of foreign exchange for importing intermediate and capital goods essential for industry has made things worse. Unemployment remained high throughout the region, and while Jamaica and Guyana were successful in restraining their rates of increase in consumer prices, inflation increased significantly in the other countries of the region, with the exception of the Bahamas.

The Barbados Economy in 1979

1979 was a year of record growth in the Barbadian economy. Real output is estimated to have increased by 7% as compared with an average of about 4% in the 1976–78 period. Estimates of Gross Domestic Product at factor cost measured in current prices went over the one billion dollar mark for the first time, increasing from \$954.1 million in 1978 to \$1,143.2 million in 1979, or just under 20%. With a population growth rate of only 0.5% for 1979 per capita income in Barbados in current prices increased by 19.3% to \$4 485. This high level of per capita income (approximately \$2 242 US) puts Barbados firmly in the top half-dozen in the category of the middle-income developing countries.

All the major sectors recorded increases in output in 1979. Sugar production was the main source of growth in the Agricultural Sector. Sugar's GDP value rose from \$51.7 million in 1978 to \$61.5 million in 1979, an increase of 18.9%. Sugar output reached 114 000 tonnes in 1979 as compared with 101 000 tonnes in 1978 even though the number of hectares reaped remained virtually unchanged. This increase in output in sugar was mainly due to favourable weather conditions, and the reduction in the number of cane fires due last year to the vigorous advertising campaign mounted by the Sugar Producers' Association.

Tourism, Manufacturing and Wholesale and Retail Trade also contributed significantly to GDP in 1979. Tourist arrivals reached a record level. The number of long stay visitors was 370 900, an increase of 17% above the figure of 316 900 for 1978. Canada and the USA remained the industry's major markets, but the growth in number of tourists from these countries fell below the overall average growth rate of 18% for the year, while the growth in the number of tourists from CARICOM countries, the United Kingdom and European markets was significantly higher than the

average, all being more than 30% up. The vigorous advertising and marketing campaign carried on by the Board of Tourism in the past few years to promote summer tourism had its reward when, for the first time, the number of summer or off-season visitors exceeded winter visitors. August with 37 600 long-term visitors was in fact the best month for tourism in 1979. Total tourist spending in Barbados for 1979 is estimated at \$332.0 million or 23% above the figure of \$270.0 million recorded in 1978.

The manufacturing sector maintained the same percentage contribution of 11.3% to GDP as in 1978. Within this sector the sub-group manufacture of clothing showed the highest increase in output.

Provisional estimates of expenditure on the Gross Domestic Product at market prices indicate that the share of personal consumption expenditure increased from 69.3% in 1978 to 76.1% in 1979 for a total of no less than \$879.1 million.

Personal Consumption Expenditure by Barbadians.

The percentage expenditure on investment, as measured by figures for Gross Capital Formation decreased marginally from 23.7% in 1978 to 23.6% in 1979, but the amount increased from \$254.5 million to \$302.2 million. The current account deficit was 16% of GDP at market prices in 1979 as compared with 9% in 1978.

Activity in the construction sector increased significantly in 1979 in response to both public and private sector initiatives, and output was 17.3% higher than that for 1978. Rising incomes and the consequent increase in the demand for housing gave particular impetus to construction activity in 1979. A survey on housing activity in 1979 carried out by the Ministry of Housing has revealed that in the last six months of the year some 1200 inspections for electricity in newly completed housing units, both stone and wood, were carried out and the survey deduces that a total of at least 2 000 houses private and publicly built, were completed in 1979. As a result of other studies carried out by the Ministry of Housing, it is now known that, ideally, 1,700 housing units are required annually in Barbados to satisfy the full demand for replacement and upgrading needs. The figure for completions suggests that 1979 was certainly a year in which the massive thrust of the Government for improved housing met its targets. The studies also reveal that there is need for more single member household units and household units for the aged and disabled. With respect to the latter, the Government under its Welfare Housing programme administered by the Ministry of Labour and Community Development is endeavouring to provide adequate housing for the aged, and has provided a sum of \$800,000 in the current estimates for this purpose.

Employment

Data derived from the Continuous Household Sample Survey carried out by the Barbados Statistical Service show that the average rate of unemployment over the period January to December 1979 was 12.8% of the labour force as compared with the figure of 13.7% recorded for 1978. Of a total of 167 300 adults in 1979, the record number of 94 100 persons or 56.2% were employed while 13 800 or 8.2% were

unemployed. The total labour force in 1979, defined as those who were actively seeking jobs as well as those who were working, was estimated at 107 900 persons. In 1978 the adult population was the same as in 1979 (167 300 persons) but the labour force (which excludes the voluntary idle) was 100 400 persons of which 86 600 were employed and 13 800 persons were unemployed. Thus, even though the levels of unemployment and total adults were roughly the same for 1978 and 1979, employment in 1979 rose by 7 500 persons over the figure of 86 600 persons in 1978. This means that 7 500 adults who were not in the labour force in 1978 came into the labour force in 1979 and found employment. The numbers of voluntary idle has fallen sharply, indicating that in the present improved economic conditions, people previously content to be idle are now looking for work.

Unemployment among females as a percentage of the labour force remained at the same level in 1979 as in 1978, 17.6% while unemployment among males as a percentage of the labour force moved into single digits, decreasing by 2% from 10.6% in 1978 to 8.6% in 1979.

Balance of Payments

Barbados' Balance of Payments showed a surplus for the second consecutive year. The 1979 surplus of \$27.7 million was however \$10.6 million less than that recorded in 1978. At 31st December 1979 the foreign reserves stood at \$128.5 million. Despite the spiralling cost of fuel and the rise in price of other imported goods the 1979 surplus was achieved mainly as a result of a substantial increase in capital inflows, in contrast to the 1978 surplus which was due mainly to an improvement in the current account position for that year. The deficit on current account deteriorated in 1979, moving from \$62.9 million in 1978 to \$111.0 million in the year just passed. Imports increased by 35.7% over the 1978 figure; the increase was mainly due to increases in imports of machinery and transport equipment which showed an increase of 56% and fuels and lubricants which as a result of the increases in petroleum prices increased by 63.3%.

Domestic Exports increased by 25.5% over the 1978 figure. This increase in exports was led by the manufacturing sector which recorded a rise of 30.4%. Clothing exports increased by 40.7% and reached the level of \$58.4 million, very nearly the same value of exports of sugar.

Tourist spending rose to a figure of \$332 million in 1979, but Barbadians travelling abroad spent some \$30 million during the year. Net tourist receipts were therefore \$302 million.

The favourable performance of the economy in 1979 was accompanied by a resurgence of inflationary pressures. The rate of inflation measured by the twelve month average of retail prices rose from 9.5% in 1978 to 13.1% in 1979: The end of period figure for 1979 was 16.8% as compared with 11.3% in 1978. Rising fuel costs, increasing export prices of Barbados' leading trading partners, rising construction costs and the depreciation of the US dollar against other currencies contributed to the rise

in prices. All the major groups in the Index of Retail prices showed increases. Clothing prices rose eleven times as much in 1979 as in 1978, 35.2% compared to 3.1%. Household operations and furnishing by 35.4% compared with 7.7%. Housing, which includes construction costs, rose by 15% as against 7.8% in 1978. The increase in the price of food was relatively modest compared to other items, 11% during the year where the figure for 1978 had been 10%. This resulted partly from the efforts of the Ministry of Agriculture, Food and Consumer Affairs to keep price increases of food to a minimum and would have been smaller still had it not been for low levels of local vegetable productions, due mainly to weather conditions which helped to inflate food prices.

Inflation in the major developed countries increased at an average annual rate of 12% in 1979, and in Caricom countries, Guyana recorded a rate of 13%, Jamaica 20.7% and Trinidad and Tobago 17.7% in 1979.

The new retail price index which it was hoped to have introduced in 1979 to take account of the improvements in living standards since 1965, when the present index was prepared, is now expected to be published from this month of April 1980. The old index will continue to be published alongside the new index for a period of about three months after which it will be phased out.

I turn now, Mr. Speaker to Revenue and Expenditure of the Government for 1979-80.

The current revenue for the financial year 1979-80 was originally estimated at \$354.3 million. Provisional information for collections at March 31, 1980 indicates that total revenue for the year amounted to \$366.1 million. This represents an increase of \$50.8 million or approximately 16% over the amount of revenue collected during fiscal year 1978-79.

Current expenditure for the year 1979-80 was originally estimated at \$333.3 million. During the year under review, supplementary provisions amounted to \$18.3 million. Thus, the total amount of expenditure authorised by Parliament was \$351.6 million. However, continued effort to restrain the growth of current expenditure in order to ensure that part of the capital expenditure on long term development is financed from current revenue, has resulted in the encouraging situation, where current expenditure is now expected to be only \$339.1 million. This represents an increase of \$53 million or approximately 19% over the expenditure for fiscal year 1978-79.

The approved estimates of Capital Expenditure for the year 1979-80 amounted to \$116.4 million. During the year supplementary provisions amounting to \$6.1 million were granted. Therefore, the total capital expenditure approved by Parliament was \$122.6 million but preliminary information as of March 31st suggest that actual capital expenditure was \$90 million. This represents an increase of \$18.7 million or 26% over the capital expenditure for the financial year 1978-79.

With an anticipated current account surplus of \$27 million the overall deficit is therefore expected to be \$63 million or 4.9% of Gross Domestic Product. This compares with fiscal year 1978/79 when the current account surplus was \$29.2 million and the overall deficit was \$42.1 million or 3.9% of the Gross Domestic Product, and still represents a proportion that is very modest by the standards of most countries.

The Public Debt was \$406.5 million at March 31, 1980 exclusive of the Government overdraft at the Central Bank. Local borrowings amounted to \$279.6 million while the remaining amount of \$126.9 million represented borrowing from foreign sources. The foreign debt service ratio, which is the percentage of export earnings required to pay for servicing our overseas debts, was 2.7%, one of the lowest in the developing world where debt service ratios of 50% and over are not unknown.

Now for the Fiscal Year 1980-81.

The Estimates of Current Revenue for this year were approved by Parliament at the sum of \$395.1 million. Approval was given for Current Expenditure of \$372.0 million and Capital Expenditure of \$162.5 million. This means that with a projected current account surplus of \$23.1 million, the overall projected deficit will be reduced to \$139.4 million. However, since the Estimates of Expenditure approved by Parliament did not include any provision for salary increases for public servants, due from April 1 this year, and these may confidently be expected to exhaust the projected current account surplus and more, the overall deficit is thus expected to be larger than stated in the published Estimates, which cannot, in their nature, take account of a salary and wages settlement still under negotiation. There is therefore a very considerable financing gap for the Government to face in 1980-81.

It is against this financial background that a monetary and credit policy has been devised and budgetary proposals for 1980 prepared. It is the intention of the Government that some part of the very considerable overall deficit should be financed through increased revenue, and not only through borrowing. As far as possible, the Government wishes the system of borrowing money on a large scale to pay the salaries of civil servants to remain a distant memory of the bad old days of 40% inflation and 20% unemployment.

Monetary and Credit Policy

My views in this regard are fortified by the fact that, despite the very healthy performance of the economy in 1978 and 1979, early indications are that Barbados may face even more serious problems of economic adjustment in 1980 than had been anticipated. Considerable increases in the import fuel bill were expected to put the balance of payments into deficit, but a disappointing foreign exchange performance in the first quarter now indicates that the deficit may be much larger than had been hoped. It is necessary therefore to consider timely measures to ensure that foreign exchange spending does not exceed expected earnings, especially since both the Civil Service wage settlement and measures which I shall announce later in this Budget will put more personal income into circulation, with the resultant pressure on imports.

Foreign exchange reserves in the banking system have increased only about \$11 million in the first quarter of this year so far, compared with \$35.6 million and \$60.7 million, respectively, for the first quarters of 1978 and 1979. Import spending remains high, partly because of the needs of tourism, construction and manufacturing, but also in response to consumer demand. There is one mitigating factor in that so far no substantial amounts of sugar have been sold abroad, and foreign exchange receipts from this source should therefore help to sustain the balance of payments in the second quarter, if production targets can be achieved. However, the disappointing first quarter has left insufficient reserves to meet the normal seasonal outflows expected in the last half of the year and still maintain our basic margin of sufficient cash to cover two to three months of imports which we have established in 1978 and 1979.

Government borrowing and bank credit generally, will accordingly have to be carefully managed if they are not to result in further spending and resulting aggravation of the balance of payments position. Public utilities will require substantial bank funding, and reasonable credit provisions must be made for agriculture, manufacturing and tourism. Only very modest accommodation can therefore be given to the credit needs of Government and the personal sector. The Central Bank issued guidelines for the growth of bank credit to the personal and distribution sectors at the beginning of the year. These targets are to be maintained, but no special exemptions are in future to be allowed for home improvements, debt consolidation and mortgages, as has been the case until now. Banks may still give advances for these purposes, so long as their outstanding credit remains within the limit set by the Central Bank.

Interest Rates

One of the features on the international economic scene in 1979-80 has been the phenomenal increase in interest rates in North America and Western Europe in pursuance of policies intended to reduce inflation. These rates in the economies of our major trading partners abroad have risen to levels unprecedented in the post-war era. The differential between rates at home and overseas has therefore widened appreciably, which in itself may be an incentive to unpatriotic Barbadians illegally to deposit or retain money overseas and of course is a disincentive for foreigners to deposit money here. There is also evidence that in some areas the domestic economy is over heating with potentially adverse effects on the balance of payments. At my request the Central Bank has therefore reviewed interest rate policy in Barbados.

The Bank is concerned about the low levels of deposit interest rates which commercial banks continue to pay while continuing to charge quite high rates for bank loans. Banks have maintained high levels of profitability, with a considerable spread between the average cost of their deposits and the average return on lending. The Central Bank proposes to reduce this spread somewhat by raising the floor on savings deposit rates by two percentage points to five percent, at the same time allowing the average loan rate to rise one percentage point to 11%. The Central Bank's general discount rate to commercial banks will also be raised by one percentage point, and the rate for re-discounts for sugar marketing will go up by the same amount. I consider that these measures, for the time being, are as far as we should go in the direction of tightening up in the present circumstances.

I turn now to the Budgetary Proposals, Mr. Speaker.

As I stated in the introductory part of this statement, the fiscal policies which Government attempts to implement through the budgetary proposals are designed to support the policies enunciated in the Development Plan for achieving stated national objectives, and, in addition, to deal with short-run problems which emerge from time to time. The proposals contained in this budget, therefore, seek to consolidate the substantial achievements of the immediate past, and to channel the resources and energies of the community in directions which ensure continued progress. Specifically, the major objectives which my policy seeks to achieve are:

1. The restructuring of the system of taxation in order to increase *discretionary spending* and to give improved *incentives* to earn money, as a means of encouraging greater individual effort, and therefore higher productivity in the economy;
2. The promotion of greater social equity in the tax system by increasing disposable incomes particularly of wage earners in the lower end of the income scale, thereby assisting in moderating excessive wage demands which might add to inflationary pressures;
3. The reform of the indirect tax system in a way which provides a greater protection for local industry;
4. The protection of the balance of payments through controlling the size of the public sector deficit, and restraining the level of imports;
5. The continued need to encourage energy conservation at a time when the increased cost of oil imports is putting severe strain on the level of international reserves.

Taxation

In the 1979 Budgetary Proposals, I outlined the need for restructuring the tax system in Barbados because of changed economic circumstances and the unprecedented levels of inflation experienced during the early 1970's. On that occasion I pointed out that the share of taxes on incomes and profits in total revenue has risen appreciably during the past decade as a consequence of the combination of inflation and a highly progressive tax structure.

Another noticeable feature of the present tax system is that over the years, there has been a gradual shift in the incidence of taxation from indirect to direct taxation. For example, during fiscal year 1969-70, the proportion of revenue raised through indirect taxes was 45% while that resulting from direct taxation amounted to 42% with taxes on incomes and profits being responsible for 36%. By fiscal year 1978-79 the picture which emerged was a complete reversal of that earlier trend. During that year, the contribution of indirect taxes had declined to 39% while direct

taxation had increased to 49% with taxes on incomes and profits accounting for 42%. This situation has developed inspite of income tax concessions granted every year since 1976.

Therefore it is now abundantly clear, that if greater individual effort is to be encouraged, the balance between direct and indirect taxation must be restored. However it is necessary to emphasize that in order for the Government to carry forward its declared programme of social and economic reform, and to cater for the needs of the less well-off members of our community, it is imperative for Barbados to continue to sustain a major tax effort. In order to achieve these apparently inconsistent objectives, the tax system must be altered in such a way that a larger part of the burden will be placed on goods and services to permit a very substantial reduction in the level of personal income taxation without a curtailment of facilities provided by the Government.

In addition, Mr. Speaker, there are a number of areas of the tax system and of non-tax means of raising revenue where charges, both by way of concession and of increases are indicated. As a result, the financial proposals this year will be somewhat extensive and after setting this year's rate for the employer's levy, I propose to deal with indirect taxation and move through non-tax revenue and conclude with my direct taxation measures.

Employment Levy

When the Employment Levy was introduced, I indicated that it would remain in force for three years. Contrary to the expectations of those who attempted to discredit the usefulness of the levy, the results have been most encouraging as will be demonstrated shortly. This year being the final year, I propose to increase the target employment figure for 1980 to 17.5% over the base year of 1977. The levy itself will remain at the rate of 2½%. My reason for pitching the target as high as 17½% derives from a review of the Employment Levy for 1978 and 1979 which suggests that employment in the corporations paying the levy increased by 9.6% for 1978 over 1977 and 6.1% for 1979 over 1978, or a cumulative total of almost 16.3%, 1979 over 1977. The change in employment by sector for the years 1978 and 1979 shows that employment in Barbados increased in every economic category, varying from 3% in sugar and other agriculture to 31.2% in construction. Construction has recorded this increase in employment of more than 30% since 1977 with the construction work being carried out in the tourist industry and the distribution sector has improved by more than 20%. If therefore I had stuck to my original target, which was 16% over the three years, there would have been no effort required in 1980 by the great majority of firms which would have already reached employment levels in two years that had been envisaged would take three.

I wish to congratulate all those who responded to the Government's initiative of the levy and who have so firmly demonstrated their support for our efforts to lift ourselves out of the morass of unemployment, especially of our young people, who have benefited to the tune of approximately 2000 jobs. The Government has had to

pay back over 80% of the moneys collected under the levy, since so many employers met their targets, but I consider it money well spent. When the levy ends this year it will have served a purpose that I am satisfied was worth serving. It may have been a type of economic crash programme but it is a crash programme that will last three years and not three months and give permanent employment and not casual labour.

Indirect Taxation

And now Mr. Speaker, to the first of the areas of conventional revenue raising, that of indirect taxation.

Indirect taxation measures include mainly excise, customs and other import duties and consumption taxes. For many years Barbados depended heavily for funds to run the Government on revenue from customs and excise duties, but with the coming into force of the *Common External Tariff* of Caricom in 1973 the tax base of customs duties was immediately reduced since imports from our Caribbean neighbours began to enter Barbados free of duty, and the Government also lost the power of unilateral alteration of import duty. Consumption taxes which have since then increased in an effort to take up some of the shortfall in import duties resulting from CARICOM, have, however been unscientific in scope, haphazard in application and disappointing in result.

Consumption Tax

This year, therefore, for the first time, a comprehensive and complete re-structuring of the rates and application of Consumption Tax has been undertaken. The instant exercise, which was carried out with expert assistance, apart from seeking to restore the balance between direct and indirect taxation, has been designed with four very important considerations foremost in mind. These are the desire —

- (i) To provide greater protection for local industries;
- (ii) To restrain the growth in imports and relieve pressure on the balance of payments;
- (iii) To simplify the tax; and
- (iv) To minimise the effect of consumption taxes on the cost of living.

To effect these purposes I propose a totally different style of applying the consumption tax.

Protection of Local Industries

In the case of imported articles, the present consumption tax is levied on the cost/insurance/freight known as the "CIF" value. This practice is contrary to the method used for computing the tax in Trinidad and Tobago, Jamaica and Guyana where the base of the tax is CIF plus import duty. In these countries local goods are therefore given superior protection to the protection which local arrangements at

present give to Barbadian manufacturers. Effectively the consumption tax in Barbados is at present charged on only one mark-up in the case of imported articles, but two mark-ups in the case of local.

In order to rule out the occurrence of this unreasonable competition with local industries, and the attendant danger of a reduction in employment, I propose to bring the existing situation into line with the method used in the other more developed Caricom countries by including import duty in the base of the consumption tax when applied to imported articles.

Improvement of the position of local manufacturing industry will assist in meeting the second objective of the re-structuring of the tax, which is to improve the balance of payments position. The increases which would result from mere inclusion of the customs duty in the chargeable value of imported goods would however be too great and I therefore propose to moderate them by a reduction and simplification of the rates. At the same time I propose to widen considerably the application of consumption tax. At present, there are 95 groups of items subject to the tax, with rates ranging from 10% to 30%. Motor vehicles which do not pay consumption tax as such, have their own legislation charging them to an analogous Motor Vehicle Tax. I now propose that consumption tax in Barbados will be charged at a standard rate of 5%, with a few cases of rates of 10% and 15% on selected items; 20% and 40% on motor cars, depending on their value; and a 30% special rate charged on only two particular items. The number of items for which changes have been made and new items charged to the tax for the first time is so great that it is impossible, Mr. Speaker, for me to read them out. Broadly speaking, they will correspond to the new Customs Tariff Act which was introduced and passed in all its stages in this House in a single day in 1973. I have therefore included these proposals then in a schedule which forms an appendix to these Budgetary Proposals. The rates contained in the Schedule will apply as from one minute past midnight tonight, and in future the Consumption Tax Schedule will be constructed more scientifically and will very closely resemble the Customs Tariff Book.

The extension of the tax to many of the items contained in the schedule will of course mean an increase in their cost. The principal areas affected will be certain building materials and clothing where the already existing taxes on some items are being extended to others. But the adoption of a standard rate of 5% means that about 90% of existing items will now bear a much lower effective rate of tax than formerly, in spite of the inclusion of import duty into the tax base where applicable.

I will give a few examples of how the application of the standard rate will result in lower duties on a number of items. Fruit and vegetable juices which with chocolate confectionary, are practically the only human food items subject to the tax, at present carry a rate of 10%. This will be reduced to 5% so that the tax on local and Caricom fruit juices will be halved and on foreign juice reduced to an effective rate of 7.25% when import duty is included in the base. Domestic and Household equipment such as knives, spoons, forks, cups, saucers, glassware and other table and

kitchen utensils, sanitary and toilet articles; stoves other than electric stoves; paints, varnishes, detergents and a number of similar items will now carry effective rates of 6.25% and 6.5% instead of the old rates of 10% and 12% and the cash specific rate on paints which was previously levied. These should therefore all come down in prices.

Liquid propane gas, which is a very important commodity to households in Barbados, previously carried a rate of 15%, but will now be subject to a rate of 5%. This will be the effective rate, since all our supplies are imported duty free from within CARICOM. Natural gas will also be charged at 5%. A new price control order reducing the price of all bottled gas will come into effect from tomorrow, April 10. The reduction will vary from \$1.25 on a 20 pound cylinder to \$6.30 on a 100 pound cylinder, which will drop in price from \$78.50 to \$72.20. The cylinder size will in future be maintained, but will be metricated as present cylinders are refilled in amounts of 45kg, 11kg, and 9kg instead of 100, 25 and 20 pounds. This will result in a slight reduction in the amount of gas contained, but the price will be further reduced to take account of the lesser quantity.

These are but a few examples of the benefits of the 5% standard rate. Among the items which will benefit from a reduction to the 10% and 15% standard rates will be refrigerators, sound equipment and photographic equipment. The tax on television sets on the other hand will rise.

I must warn all concerned that I expect that the substantial reductions made possible by my proposals will be passed on to the consumer in the form of reduced prices. If, for some reason, unscrupulous persons still persist in charging consumers the existing prices for new stock in spite of significant reductions in consumption tax, the Government will not hesitate to impose price controls in the interest of consumers since it is intended that the public and not the importers or retailers should be the beneficiaries of such tax reductions.

Motor Vehicle Tax

Later on in the Budget I shall be making a number of proposals relating to highway revenue and the importation and use of motor vehicles. But at this stage it is also necessary for me to say a word about Motor Vehicle Tax – not the annual taxes paid for the use of vehicles on the highway, but the tax paid when certain categories of vehicles are brought into Barbados.

The existing provisions of the Motor Vehicles Tax Act will be incorporated into the Consumption Tax Act with a minor amendment to ensure that all motor omnibuses, and not merely those seating less than 15 passengers will be subject to the Consumption Tax and that any vehicles which weigh more than two tonnes imported free of tax for goods or commercial use, but subsequently converted for passenger use will become subject to the tax.

The incorporation of the Motor Vehicle Tax Act into the Consumption Tax Act is being done for Administrative purposes and not to alter the existing yield of revenue in

any substantial way. Therefore, considering that the import duty will now form part of the base of the Consumption Tax on vehicles, the existing rates charged under the Motor Vehicles Tax Act will be reduced to ensure that the revenue yield remains broadly at the present level. Passenger cars with a chargeable value of \$16 000 or less will be charged to consumption tax at 20%. This represents a small concession on the value, which if converted exactly from the present \$10 500 plus duty would be \$15 225, and it also represents a reduction in the tax of about .7%. Smaller cars should therefore drop in cost by a hundred dollars or so. Passenger cars with a chargeable value of more than \$16 000 will be charged at 40%, which represents an increase of 2.7%. Omnibuses will now be charged on the same basis as passenger cars, but an exemption will be granted to vehicles imported by or on behalf of the Transport Board. Motor vehicle spare parts will be charged at 10%.

Alcoholic beverages also merit special treatment in my proposals. These will continue to be charged to consumption taxes, where they apply, at specific rates and not percentages. This is mainly because the customs tariff settled at Caricom level, is expressed in money terms and not a percentage *ad valorem*. The change in the base of tax for other items would therefore not normally affect liquor. However, there is a case this year for small increases in most of the specific rates, since the yield to the Government of revenue in this area has not been increasing anything as fast as inflation, suggesting that the real cost of imported liquors is going down, in a society of increasing affluent winebibbers and consumers of brandy, whisky and gin. I therefore propose the following changes.

Beer at present 45¢ per litre will go to 50¢ per litre

Grape must from \$1.32 to \$2.50 per litre

Wine from \$2.10 to \$2.50 per litre

Vermouths and similar fortified spirits from \$2.10 to \$2.50 per litre

Ciders, perrys & Mead not now charged will go to \$2.50 per litre

Whisky, gin, brandy, vodka of strength less than 80% proof will go from \$4.00 to \$5 per litre

All the foregoing at greater strengths than 80% proof will go from \$5.00 to \$6 per litre

All other spirits, such as snaps, tequila and the like for those that drink them who do not now pay any consumption tax at all will in future pay \$10 per litre; and cordials and liqueurs will go from \$1.32 to \$2.50 per litre.

The consumption taxes on blended brandy and blended whisky have been represented to me as being disincentive to local production of these commodities. I agree — indeed they are disincentives to importation also, since none or very little passed through the Customs in 1979. I therefore propose a reduction, in the interest of encouraging local and Caricom industry, in the rates of tax on these items from \$14.00 per litre in the case of blended

brandy and \$12.00 in the case of blended whisky, to \$10.00 per litre in each case. Apart from this no alternation is proposed to taxes affecting rum or its by-products.

Finally on the subject of consumption tax, I wish to issue a second word of warning. For some time, I have been concerned about the number of cases where persons have been avoiding payment of tax, either by refusing to register or by refusing to pay tax after registering. We cannot have a society where some people pay their taxes and some do not. Therefore, I have given instructions for an entirely new Consumption Tax Act to be drafted with a view to ensuring that the existing loopholes are closed. The first draft is now being studied and the Bill should be ready for the House before Parliament rises for the mid-year recess.

The changes made in consumption tax are expected to yield a net amount of \$21.0 million, and I have naturally been concerned about the possible effect on the cost-of-living. It is for this reason that I have avoided any increases in taxation on food items and made only such increases on liquors as will bring the price of spirits back up to the real level prevailing 5 – 6 years ago, taking account of inflation. The adoption of the 5% rate, which led to significant reductions on most existing items, was another step to keep prices down; and to put the increases I have announced into proper perspective, I would point out that the net amount expected from the extended coverage of the Consumption Tax is estimated to amount to less than 2% of the anticipated level of total consumer spending in our economy in 1980 of over \$1 billion.

Next, Mr. Speaker, I turn to taxes on Betting and Gaming. The recent Commission on Gambling has made a large number of recommendations on the future of Betting and Gaming in this country, recommendations which have been given careful attention by the Cabinet and are under study in relevant Ministries. I agree with the Commissioners that there is no objective evidence that gambling is undermining the moral fabric of this country. I also accept that betting on horses, gambling machines, bingo, sweepstakes and the like is a fundamental amusement to which people are attached. The Government has endeavoured fully to regulate all forms of gambling, licit, semi-licit and illicit which we found when we came into power and to ensure that all the gaming aspects of the peoples' amusement pay a proper sum of money to the public revenue, rather than to private gain, and I should say how much I appreciate the fact that the Government's stand has been vindicated by a Commission recognised for its religious character and outstanding for its moral qualities.

The recommendations are being given all the weight they command, and although some may not be entirely practicable at present, or indeed possible, I am including in my proposals a number of measures which reflect not only the need to raise money charges, but also the views of the Commission. Due to Caricom regulation, I cannot raise the import duties on gaming machines as recommended, but I propose a special rate of consumption tax of 30% on these machines. With respect to the recommendations on the location of gaming machines I have issued instructions of a general character under the Betting and Gaming Act that there be no extension of these machines to any further small shops and I propose that the following changes be made in the license fees

chargeable. The machine fee, at present \$1000 for a half year will go up to \$1500 for half-year or \$2500 for each machine if paid annually. The fee for arcades, over and above the machine fees, will go from \$15 000 half yearly to \$30 000 half-yearly, or \$50 000 for a whole year if paid in one instalment. The new fees on arcades and the limitation on putting new machines in shops should have the effect of encouraging greater deployment of the machines in hotels as recommended by the Commission.

Amusement Machines

I propose that the tax on amusement machines of a non-gaming character be increased from \$40 monthly to \$600 annually but pool tables will now be excluded from tax as in my opinion they cater to players of a recognised sport rather than constituting a machine operation as such.

Racing Service Business

In keeping with the principle of encouraging payment of a full year's licence in one instalment, the half-yearly license fee for Racing Service Business will be increased from \$20 000 to \$25 000, while the annual fee will remain unchanged.

All the foregoing changes will take effect from July 1st, 1980, and are estimated to yield \$800 000 in revenue in a full year.

I accept that present rates of taxation on Bingo, other than the Bingo games organised on radio and television, are too severe. I therefore propose immediately to reduce the rates on Bingo held for charitable purposes and for which the draw or call is not made on radio or television to the following:—

20¢ on a ticket costing more than 25¢ but less than \$2.00;

50¢ on a ticket costing more than \$2.00 but less than \$5.00; and

20¢ in the dollar or part thereof above \$5.00.

The 5¢ rate for tickets costing 25¢ or less will remain.

The next item, Mr. Speaker is Liquor Licences

Liquor Licences were last raised in 1977. Since then, there has not only been inflation and increases in the price of liquor but very widespread expansion of hotel occupancy has taken place. I propose therefore to levy the following increases in liquor licensing fees to be paid by the various categories of seller:—

- (1) Wholesale licence from \$800 to \$1 000 annually;
- (2) Retail licence from \$150 to \$200 annually;
- (3) *Hotel Licence*

up to 25 bedrooms \$500. This is a new category, combining two previous groupings;

26-50 bedrooms will go from \$1 000 to \$1 500;

51-100 bedrooms from \$2 500 to \$3 000; and hotels

with over 100 bedrooms will pay an annual liquor licence of \$7 500 instead of \$5 000;

- (4) Restaurant licences will move from \$150 to \$200;
- (5) Occasional licences from \$15 to \$20; and
- (6) Members' Club licence from \$50 to \$100;

The remaining rates will not be affected.

These charges are expected to bring additional revenue of \$127 000.

Next, Highway Revenue

Certain recent developments have given rise to concern over patterns of vehicle importation, vehicle use and vehicle licensing. As a result, no doubt, of the restriction on the importation of passenger cars imposed in 1977 in the interest of protection of the balance of payment, the pattern of vehicle sales has become distorted, with a large number of vehicles supposedly imported for commercial use being used as passenger vehicles subsequent to importation. This method of circumventing the import restrictions has, among other things, resulted in undue pressure being placed on our balance of payments position, since notwithstanding the restriction on passenger cars, more money is being spent than ever before on vehicle imports. To avoid this getting worse, in consultation with the relevant Ministries I have decided that all vehicles with unladen weight of two tonnes or less should as from tomorrow be imported only on licence. A new quota for 1980 will be granted to importers to allow them to bring the same value of vehicles into Barbados as were imported in 1979. In addition to the foregoing, all omnibuses, even weighing more than two tonnes will also be placed on licence. It is expected that no real hardship will be imposed by these new terms, which will still mean an increase in the number of vehicles imported into the island because of the falling prices between 1979 and 1980 of many vehicles denominated in US or Barbados dollars.

The development I have just mentioned has also been causing concern with respect to Highway Taxes. Several cases have been drawn to my attention where vehicles have been registered for commercial use because it was cheaper, and then subsequently have been used for other purposes. As most of the vehicles in question now weigh less than 1150 kgs. I have decided to make the following adjustment to the schedule used for the registration of vehicles, and to abolish both the concession for owner-operated taxis and the charge for self-drive cars for reasons which I will explain shortly. The new rates will thus be for Motor Cars.

Not exceeding 1150 kgs.	\$100
1150 - 1350	\$150
1350 - 1550	\$300

and motor cars larger than 1550 kgs. will pay an annual Highway Tax of \$500.

Additional revenue of \$380 000 is expected to come from the proposed adjustment.

Public Service Vehicles

In recent years in Barbados Mr. Speaker there has been turmoil in the area of Public Service vehicles seeking to carry passengers, both Barbadians and tourists. Many unlicensed pick-ups have come on to the road, using one device or another to make their way through the present maze of regulations. A Transportation Study has been undertaken to assist the Government in setting a policy for road transportation in Barbados for the next ten to fifteen years, and this policy is in the process of being established and implemented. As an interim measure the Government has decided to allow up to 150 pick-ups to be licensed on routes approved by the Ministry of Communications & Works, where a special licensing unit will be established. This unit will deal not only with pick-ups but with self-hire vehicles and taxis. The figure of 150 for pick-ups will include the present vehicles already lawfully issued with MCW licences and will take effect immediately.

Applicants for these pick-up licences, which will at the moment be confined to persons who already have vehicles, will have to meet the roadworthiness tests of the Ministry of Communications & Works. An Appeal Committee, similar to the Import Licensing Appeal Committee, will be set up to deal with appeals and other grievances relating to the pick-up trade. The number of taxis will continue to be stabilised at or about the present limit but a small increase will be permitted in the number of self-hire cars, since indications are that there is at present a shortage. With the return to the more normal distribution pattern of vehicle imports that I consider will be imposed by the new import licensing arrangements, I expect that an adequate number of passenger cars will become available for use as self-hire vehicles.

Under the new Road Traffic Act shortly to come before Parliament special licence plates will be issued to such vehicles in place of the parish plates they now bear. I have already indicated that I propose to abolish the licence fee of \$100 now paid for self-hire cars to the Collector of Taxes. This will be replaced by a new annual fee to be paid to the Ministry of Communications and Works. In the new arrangements the special privilege extended to owner-operated taxis will no longer be appropriate and they will pay the same basic licensing rates to the Collector of Taxes as other motor cars. However to compensate for the loss of that privilege there will be no increase for taxi renewals at MCW. The following charges will now be levied:—

<i>Licence Fee</i>	<i>First Licence</i>	<i>Renewal Annual</i>
(i) Motor omnibuses licensed for use as Hotel buses or Tour Coaches	2 500	800 annual fee
(ii) Self-drive cars	500	250
(iii) Mini-buses	1 000	250
(iv) Taxis as before	500	50

All existing licences will be honoured but the increased fees will be applicable to any new registrations or renewals. Additional revenue from this source is expected to be \$200 000.

Petroleum Products

The principal area of highway revenue Mr. Speaker relates to the taxes on petroleum products. In all the changes imposed on us by OPEC, an unfortunate printing error has crept into the local legislation which deals with petroleum for road use. Effectively the law has been charging one cent per litre more than the Refinery or local motorists have been paying. I do not intend to insist on receiving the relevant sums and the error will be ignored when changes are made in the very near future. The entire form of taxation on petroleum products is being reviewed; but in the meanwhile, some adjustments have become necessary because of increases in the posted prices of petroleum products in the Caribbean and the resulting changes in the ex-refinery prices to petroleum marketers in Barbados.

In September, 1979 the controlled prices on gasoline, kerosene and diesel fuels were increased, not because of any increased taxation by the Government, but as a result of increases by the oil-producing countries.

Since September, the price of crude oil has increased to US\$26 per barrel and some oil producing countries have imposed yet further surcharges. These increases have resulted in a steady erosion of the necessary profit margins allowed to the marketing companies in Barbados.

In addition to these factors, the Government considers it necessary not only to restore the real incidence of the tax on gasoline, but also to halt the current upsurge in gasoline use which is now observable after a period of relatively static consumption. Effective from one minute past midnight tonight, a revised schedule of retail prices for gasoline will come into force. The retail price of gasoline will be increased from 93¢ per litre to \$1.01 per litre. This increase arises as follows. First, the special margin of 1.84 cents per litre allowed to marketing companies last September to recoup earlier losses will be removed.

The cost of the product has gone up by	7.39¢ per litre
The Marketers' and the Retailers' margin will each be increased by	0.22¢ per litre
And there will be an increase in tax of	2.00¢ per litre

There will be no increase in the tax on kerosene but the retail price will be increased from 58¢ to 65¢ per litre because of the increased cost of the basic product of over 8¢ per litre. The marketers special margin of 1.84¢ per litre will also be removed from kerosene, thus allowing the price to go up by less than the increased cost.

Finally, I propose that the retail price of diesel fuels will be increased by an amount, in the case of diesel 48/52 which carries road tax from 71¢ per litre to 78¢ per litre made up by an increase in product cost of 5.86¢ per litre and an increase in tax of

2.00¢ per litre less the reduction in the marketers' margin. Diesel 43/47 will go from 53¢ per litre to 63¢ per litre on the same principles but without road tax. The greater increase in the latter case is due to the cost of the product having increased by twice as much, 11.69¢ per litre, as in the case of the 48/52 diesel.

Mr. Speaker, I turn to
Water Rates

In a Loan Contract dated April 8, 1976 made between the previous administration and the Inter-American Development Bank, it was agreed that rates charged for the provision of sewerage services and for the supply of water should be progressively increased so that within three years of the completion of the Bridgetown Sewerage Project, such rates would produce revenues sufficient at least to cover operating expenses of the water supply and sewerage systems. In keeping with this solemn contractual obligation entered into in 1976, by the previous Government it was necessary to increase water rates in the 1977 and 1979 budgets and it is now necessary to increase these rates again in the 1980 Budgetary Proposals. A previous Minister of Health I see him in the Hon. House today, has suggested that it should be possible to meet our contractual obligations to raise the revenue by subsidising water rates out of the rates for the provision of sewerage services. Closer analysis however has proven this not to be possible; in fact, it appears from the most recent rate study and reports that water consumers in Barbados may have to bear some proportion of the cost of the sewerage system rather than the other way around.

Available data indicate that in the years 1977-1978, 1978-1979 and 1979-1980 Government subsidised users of water to the extent of \$2.7 million, \$2.7 million and \$3.9 million respectively. In the same years the cost of electricity used in pumping the Island's water requirements totalled \$3.4 million, \$3.2 million and \$4.8 million respectively. It is evident, therefore that effectively Government is subsidising the consumer to the extent of approximately 80% of the cost of electricity used to pump the water into reservoirs and out to users, and that consumers are presently only being asked to bear the full cost of the other operating expenses.

The estimated cost of electricity to the Waterworks Department for 1980-81 is no less than \$7.7 million and for 1981-82 \$10.5 million, based on present petroleum prices. In the uncertain world in which we live it is quite possible that actual costs might be appreciably higher. In the absence of rate increases, the projected rise in recurrent expenditure is expected to produce operating deficits in 1980-81 of \$7.1 million and in 1981-82 of \$10.9 million. It should be pointed out that the good rainfall recorded in 1979 was an important factor in containing the growth of pumping costs, and that if drought conditions were to be experienced over the next two years, projected operating deficits would be appreciably higher.

It is therefore proposed to implement phased increases in water rates on July 1, 1980 and July 1, 1981, respectively in fulfilment of the contractual obligations entered into with the IADB in April 1976, as follows:—

Fixed Rates

Effective July 1, 1980 rates will be increased by 50%, except in the minimum charge bracket which will now be \$20 per quarter and the amounts will be rounded off to the nearest dollar. There are approximately 25,000 customers in this category. The maximum rate will continue to be \$125.

There will be no further increase of fixed rates in 1981. However the rental values on which the fixed rates are presently based have not been revised for nearly 15 years and it is proposed to undertake a review of these values. Arising out of this review there may be some consequential upward adjustment to some fixed rates.

Metered Rates

Analysis carried out confirms that metered rates are somewhat generous to consumers compared with medium-range fixed rates. A random sample of 100 domestic metered consumers revealed average consumption of 82 cubic meters (18,000 gallons) per quarter resulting in a quarterly bill of only \$28.70.

It is therefore proposed, effective July 1, 1980 that the domestic metered rates be increased from 35¢ per cubic metre to 50¢ per cubic metre and that minimum charge for metered services go from \$5 per quarter to \$10 per quarter. As at present, domestic consumption in excess of 150 cubic metres per quarter will be billed at the commercial rate.

It is further proposed that effective July 1, 1980 the commercial metered rate be increased from 45¢ per cubic metre to 70¢ per cubic metre. From that date also, a new category of user will be established and water supplied to this new category, consisting of apartments and guest houses, hotels and ships will be charged at the rate of \$1.00 per cubic metre.

Effective July 1, 1981 there will be a further increase in metered rates as follows:—

Domestic — from 50¢ per cubic metre to 75¢ per cubic metre

Commercial — from 70¢ per cubic metre to \$1.05 per cubic metre

Hotels, guest houses and ships from \$1.00 per cubic metre to \$1.50 per cubic metre.

Plumbing

While no increase in the surcharge on individual repairs and of development charges is proposed, it is intended that the new Water Authority will look at the basic pricing of material and add handling and warehousing charges to the basic price. It is intended also that transportation and freight charges be reviewed and updated.

These increases in fixed and metered charges and updating of basic components of plumbing charges are estimated to yield \$2.87 million in additional revenue in 1980–81

and \$3.5 million in 1981-82. To put these increases into proper perspective, it should be pointed out that actual additional revenue required to cover the projected deficit in 1980-81 would be \$7.1 million and in 1981-82 \$8.1 million, and we will still therefore be some distance from the target which, if it is not met, can have the effect of destroying our credit with overseas lending agencies.

Company and other Registration

The Table of fees charged for Company registrations is distinctly complicated and can involve many calculations before arriving at the correct amount. Further, while individuals who come to work in Barbados from abroad have to pay substantial fees for work permits, foreign Companies can often pay a smaller fee to set up a business in Barbados than a Barbadian company of the same size pays for incorporation. I therefore propose a general rationalisation of company incorporation and registration fees to deal with the foregoing situations.

Incorporation of a local company will from tomorrow cost \$500, if the nominal share capital is \$200 000 or less; \$1000 if the share capital is from \$200 000 to \$500 000 and 2/10 of the nominal share capital, if more than \$500 000. There will be an upper limit of \$15000. Fees for an increase of capital will apply *pari passu*. No changes will be made to the fees for companies incorporated locally without a share capital.

For companies established outside Barbados the filing fee payable under Section 221(1) of the Companies Act, if they have a share capital, will be twice the fees payable by a local company of the same size on incorporation. For companies whose share capital is not divided into shares of a fixed value and for which a fee cannot otherwise be determined under the Companies Act, the maximum fee of \$30 000 shall be payable in all cases. There will be a general increase in fees for Registration of Trade Marks and Patents and the new fees which I propose are shown in the First Appendix. The fees for the registration as a Patent Agent will be raised from \$10 to \$300, and those for the formation of a Limited Partnership will be raised from \$2.50 to \$50.

Exchange Control Application

Still in the area of business activity, over the years there has been a steady increase in the number of applications made to the Central Bank for permission to remit foreign currency abroad. Past trends indicate that a growth rate of 15% in the volume of such transactions is likely to occur this year and it seems reasonable that a fee should be charged to assist with the administrative costs involved in processing such applications. Therefore, with effect from 1st May, 1980, I propose to charge the fees shown in Appendix II to my speech in respect of applications to remit foreign currency abroad. These fees will be collected by the Central Bank when approval for an application is granted. However, the following transactions will be given exemption of such fees.

- (a) Applications for transfers of funds by the Government and by Statutory Boards;

- (b) Applications for payments of imported goods;
- (c) Applications for holiday and business travel allowances and for education;
- (d) Applications for non-trade payments up to and including BDS\$500.00.

The additional revenue which is expected from this source in a full year is \$540 000.

For some time, Mr. Speaker, I have felt that the expanding tourist sector could make a greater contribution to the revenue of the island, in return for the number and extent of facilities which are provided by local taxpayers. I would not wish to see Barbados priced out of the tourist market, but we provide a modern airport with widespread ancillary services to cater for many more foreign than Barbadian travellers and we maintain infrastructural services of a very high standard. I propose to make the following changes in taxes on mainly tourist related services.

The rental of self-drive cars is a rapidly expanding business in Barbados and it is only reasonable that the revenue of the country should benefit from such expansion. Therefore, with effect from July 1, 1980 I propose to levy a charge of 8%, analogous to the charge under the Hotel and Restaurant Tax Act, on the proceeds from rental of self-drive cars. With implementation of the new Road Traffic Act, a special licence plate will be used for such cars, as well as for taxis, for the purposes of easy identification. The owner of the car will be responsible for collecting and paying the tax to the Commissioner of Inland Revenue and, in an effort to ensure compliance, it may become necessary to check persons driving such cars with the appropriate license plates to see if the provisions of the law are being obeyed. This tax is expected to yield an amount of \$600 000.

The rapid expansion which has taken place in the tourist sector has resulted in significant sums of money flowing not only into the hands of hotel operators, restaurant proprietors and taxi owners, but also into the hands of a number of persons providing ancillary services such as water sports, and cruises around the Island.

There has been an upsurge in water sport activities commercially organised for the benefit of the tourists. In addition, the operation of cruises around the Island has become a commercial attraction. In view of the fact that the Government through the Defence Force and Police, will be responsible for providing rescue facilities and other assistance in case of any accidents, it is my view that some contribution should be made to the revenue from these activities. I therefore propose the following charges as from July 1, 1980:—

Firstly an annual registration fee of \$500, payable to the shipping office for all launches, boats and ships, including sailing vessels, which are engaged in providing passenger or cruise services or pleasure trips starting and ending in Barbados;

And secondly a tax of \$3.00 payable to the Commissioner of Inland Revenue per passenger carried by such vessels.

The manner of registering and making payments will shortly be announced.

Additional revenue from these proposals is expected to be \$130 000 annually.

Substantial sums of money have been spent on the improvement of facilities at the Airport and it is only fair to expect that the businesses which enjoy those facilities should make a reasonable contribution towards their cost. Therefore, I propose to make the following charges as from April 14, 1980:—

The imposition of a Through-put charge on fuel provided by oil companies to aircraft as follows:—

A charge of 2 cents per litre on Avgas

A charge of 0.8 cents per litre on Jet A-1.

Revenue from this charge should amount to \$1.8 million and it should be noted that the oil companies are expected to meet the levy from the very large profits which the Ministry of Civil Aviation has discovered they are making on the business. The supply of aviation fuel is the only fuel selling activity which is not yet price controlled in Barbados, and the Government will not hesitate to take any steps to deal with overcharging in this area as in others.

I also propose to increase Airline Service Business Tax from 5% to 8% with immediate effect. This increase should not be considered unreasonable, particularly since these businesses now enjoy the improved facilities at the Grantley Adams International Airport. The increase in revenue from this proposal is expected to be \$480 000.

Additional warehouse space at the Grantley Adams Airport is being provided at great expense and I propose to recover some of the cost by increasing the general rent chargeable to \$6.50 annually per 1000 square centimetres.

The above proposals are expected to result in additional revenue of \$100 000.

Very large sums of money have been spent on new terminal facilities at the Grantley Adams International Airport and as is accepted by airline operators the world over, some increase in landing charges is appropriate, to take account both of inflation since the last increase and of the improvement of facilities. I propose the following **landing fees at Grantley Adams Airport** with parking fees continuing to be proportionate:

For an Aircraft whose size is 1800 kg. to 5 tonnes there will be a flat fee of \$20.00 per landing.

For an Aircraft whose size is 5 tonnes to 27 tonnes a fee of \$4.50 per tonne or part thereof.

over 27 tonnes up to 54 tonnes	—	\$5.30 per tonne or part thereof
over 54 tonnes to 160 tonnes	—	\$6.60 per tonne or part thereof

For the wide-bodied and jumbo aircraft which weigh more than 160 tonnes the charge will be \$1 056.00 per landing plus \$4.00 per tonne or part thereof up to a maximum of \$1 600.00.

Aircraft of a lesser weight than 1800 kg. will not be charged landing fees, and the new schedule of fees will come into effect from May 1, 1980. The increases are expected to yield \$600 000 in revenue in a full year.

Property Transfer Tax

Mr. Speaker, I turn next to taxes on property. It is not my intention to make any alteration in the general land tax this year, but there are two areas which merit attention.

Some concern has been expressed about what is perceived as a threat to our scarce land resources — the purchase of land and house property in Barbados by foreigners. Such purchases are carefully monitored by the Central Bank, to which authority to administer this aspect of exchange control has been delegated. I do not therefore consider that the situation is in any way out of control. Nonetheless, land and houses in Barbados clearly look cheap or otherwise highly desirable to foreigners, judging by the number of would-be purchasers. I propose that demand be controlled and the revenue enhanced by an increase in the property transfer tax payable by a non-national purchaser from 10% to 15%. This will take effect immediately, subject to already completed agreements for sale, where requests for an exemption from the increase may be favourably considered. The yield should be \$200 000 annually.

The second point under this head relates to Agricultural land, more particularly idle agricultural land. Over the last decade up to 2,000 hectares of productive agricultural land, in lots exceeding two acres (.809 hectares) have gone idle. A high proportion of the land that has been lost has been the result of the many permissions given by the previous government for the sub-division of estates into two and four acre lots. As a result we now find luxury houses in the middle of what was, and could still be, some of our best agricultural land. Such waste is intolerable in the light of the Government's policy to increase agricultural productivity by every possible means. Accordingly I propose to introduce the following measures directed at bringing under-utilized agricultural land back into production.

A \$300 per hectare land levy, up to a limit of \$5 000 per assessment will be applied to the land tax payable by all properties located on agricultural land as

defined under the Land Tax Act 1973. This means that all properties with a land area not less than $\frac{3}{4}$ of a hectare and having a site value greater than \$2 000 per hectare, that were in cane or other agriculture prior to January 1, 1968 and are not in an approved use that precludes agriculture, will be liable for the levy. However, it is not the Government's intention to increase the taxation of land that is in genuine agriculture: quite the contrary. Thus, exemption from the levy will be granted if, on application to the Commissioner of Valuations, it can be shown that the gross value of crops, or livestock produced on the land exceeded \$1 000 per hectare for the preceding financial year. Provisional exemption will also be granted to land wholly or mainly planted in growing tree crops or plant cane, if the application is supported by a certificate from the Commissioner of Valuations indicating that sound agricultural practice is being adhered to. Further, as a positive incentive to rehabilitate agricultural land, owners who have paid the levy will be eligible for a once-for-all rebate of \$250 per hectare for expenses that have been incurred in bringing land back into agricultural production.

The measure will not come into force until the tax year 1981, thus giving owners of under-utilised land ample opportunity to bring the land back into production. Revenue from this measure will depend on the response of landowners, but is provisionally estimated at \$120,000 in the 1981 tax year.

Concession for Agricultural Machinery

While on the subject of agricultural productivity I wish to introduce another proposal, this time a major concession and incentive to agriculture. Earlier this year I spoke of the need for increased mechanisation of cane harvesting. In Barbados with high and increasing per capita incomes, agricultural labour is increasingly hard to recruit locally, and mechanisation is essential if future crops are to be reaped. As an incentive to efficient mechanisation of non-sugar as well as sugar production the following fiscal reform is proposed. In the case of agricultural machinery, the 40% investment allowance now granted will be replaced by a *cash rebate* from the Government for expenditure made on such machinery. The investment allowance, although generous, was inequitable in its effect. Many growers in the lower rainfall areas only made sufficient profit in the occasional high price, or exceptional rainfall, years to take advantage of the investment incentive. In contrast the proposed fiscal reform is independent of taxable income and thus provides an incentive to all farmers every year. The expenditure rebates that become effective for the tax year 1980 are as follows:—

Chopper cane harvesters and ancillary equipment purchased by individual estate companies the Government will pay back 10% of the purchase price.

Chopper cane harvesters and ancillary equipment, purchased by a harvesting company or by the growers' co-operative the Government is paying back 15% of the cost and

Cane harvesting equipment used as part of what is known as the Barbadian system this includes Loaders, "Caribs", Stage II's and other things whose mysteries are

better understood by the Minister of Agriculture than by me, Mr. Speaker, they will have an 18% rebate, Mr. Speaker, by the Government.

The existing investment allowances will still apply to the manufacture and refining of sugar.

This concession by way of agricultural concessions is estimated to cost the revenue \$100 000 in the first year of operation.

Plantation Tenancies

Mr. Speaker, Sir, the next subject under the general head of agriculture to which I turn gives me very great pleasure indeed to be able to mention in the House of Assembly at this time. It relates to Plantation Tenancies.

As you will recall, Sir, The Barbados Labour Party pledged in its Manifesto for the General Election of 1976 that steps will be taken to make it possible for tenants of Plantation Tenancies to own the spots on which they and their ancestors have lived for generations. Legislation has now been drawn to effectuate this pledge and will very shortly be coming before the House. Under the Scheme Plantation Tenants will be allowed to buy the spots on which they reside by means of a very simple form of conveyance and obtain a fully marketable statutory title at minimal cost. The price of the spots will be set by law at a level per square metre to bring them to the region of no more than \$300 to \$500 each for the residential portion of lands. Arrangements are being made to promote a scheme by which the Barbados National Bank will lend the necessary funds to those tenants who cannot raise even the very modest purchase prices envisaged. Agricultural land rented from Plantations by tenants will form a part of the integrated rural development scheme now being formulated by the Ministry of Agriculture. And the Agricultural Development Corporation is already engaged in making arrangements to convey all its agricultural tenantry lands to its tenants at no more than the cost of surveying and drawing the papers of title.

Housing

Finally, Mr. Speaker, before I turn to Direct Taxation, I have certain proposals relating to housing. Chattel houses represent approximately 70% of the Housing stock in Barbados and there is a continuing demand for this type of housing particularly among lower income groups. Financial institutions, however, will not make mortgage funds available either for the repair or the purchase of such houses, because of the inherently higher risks involved when compared to stone houses. In order, therefore, that the housing needs of all sectors of the community can be met, I propose to introduce a scheme whereby the Government will guarantee the full repayment of principal and interest with respect to any loan made by way of a mortgage to owners of chattel houses. For this purpose a fund will be established under the Mortgage Insurance Act to be administered by the Insurance Corporation of Barbados and appropriate payments will be made into that fund to sustain guarantee of loans up to a total limit of \$10 000 000.

Under the proposed arrangements the owners of the chattel houses will be required to insure their houses against all perils. It may be necessary too to impose some minimum building specifications to provide more secure structures than at present. On such specifications would be to concrete the base to which the house can be securely clamped. I therefore call on lending institutions in the light of the proposed arrangements to liberalise their lending policies so as to give owners of chattel houses much needed access to Mortgage Funds. Since the next subject with which I am going to deal, Mr. Speaker, is the Income Tax proposals for this year, I will also clear up an outstanding proposal from last year's Budget relating to income tax and housing.

On that occasion, in abolishing the assessment on owner-occupation I indicated that consideration would be given to providing expenses in respect of house repairs to be deducted for income tax purposes. I have now decided to allow 4% annually of the improved value of a house for maintenance, repairs and certain improvements.

In the case of stone built houses the principal improvement that will be permitted to be set off against tax will be a solar water-heating system. It is worth noting that the 30% special rate of consumption tax on all non-solar water heaters will continue, but I do not regard this as a sufficient incentive to go solar. The present proposal will, I hope persuade home owners to let others keep their high-priced oil where the sun can do the job for us in Barbados.

I also propose that *chattel houses* be brought into the repair against the tax system for the first time. Owners of these houses will now become eligible to set off painting and other redecorations and renovations against their income taxes, and will further be able to deduct the costs of the improvements involved in the installation of inside water and plumbing and in changing from wood construction to stone at the same rate of 4% of the improved or assessed value of the original house.

I have been asked to review the amount of the interest allowance introduced last year as part of the proposals to replace the owner assessment. It has been represented that \$6 000 a year in interest is too little, given the cost of building today. On the other hand it has been pointed out that only a very small, although vocal and influential number of taxpayers are involved. I am giving the matter consideration in the light of rising building costs, but no change will be made this year in the light of other concessions granted and also when it is appreciated that houses built for rent are not subject to the \$6 000 interest limit.

Finally, on the subject of housing, an analysis has been made of the long-standing question of arrears of rent owing by Old Age Pensioners and disabled persons to the National Housing Corporation, as a part of the Ministry of Housing's consideration of the needs of the aged and disabled for accommodation. It has been discovered that most of these arrears have arisen through genuine hardship and as a first step to help the aged and the disabled I have decided that all arrears of rent owing by old age pensioners and disabled persons to the Housing Authority to December 31st, 1979 should be written off.

Direct Taxation

Mr. Speaker, I come now to Direct Taxation, to Income and Corporation Taxes and allowances. I form the impression that there has been a certain expectancy, both in the House and in the country about what fly out of the Black Box on this subject. There need have been no fear. I am not going to abolish income tax – not for everybody, that is – but I am going to reduce it.

Modern thinking, to which I subscribe in the area of fiscal policy, recognises the desirability and indeed the necessity of having a tax system which increases the capacity of the taxpayer to spend his income on goods and services of his choice. This is to be achieved by increasing his disposable income through the reduction of direct personal taxation, leaving the individual with the choice of spending or saving the increased income. Since such a tax system provides for greater efficiency and incentives, it is the objective of Government policy to increase the discretionary spending of the taxpayer, while simultaneously safeguarding the overall level of current revenue needed to provide improved services by the public sector.

Personal Income Taxation

As I have explained earlier, there is enough evidence to suggest that the income tax structure of the country has reached the point where it is becoming a disincentive to individual effort. That such a development has taken place should not be surprising because during an inflationary situation, such as we have had for over seven years in Barbados, one serious consequence of a highly progressive tax structure combined with inflation is that a re-distribution of the tax burden occurs.

One reason why such a re-distribution takes place is that the relationship which exists between gross income and taxable income is conditioned by the form and size of tax allowances. When these allowances are fixed in money terms, inflation will lead to a more rapid increase in taxable income than gross income because of a steady depreciation in the value of the allowances. Therefore, the proportion of gross income which becomes liable to taxation will rise even though real gross income remains unchanged. Consequently, average tax rates for all taxpayers originally subject to personal income taxation will increase and persons previously excluded from the scope of the tax will be drawn into the net.

That is why in previous budget speeches, I made significant adjustments to the various *allowances* in an effort to restore their value and why I have introduced the tax credit to provide relief for those persons with relatively low levels of incomes who were gradually being drawn into the tax net.

Rate Adjustment

Having granted considerable increases in income tax allowances in my last Budget, I now consider it more appropriate to offer an even more substantial reduction in personal income taxation by making adjustments to the tax credit, tax rates and taxable income bands. These changes, which will take effect from the current income year, this year 1980, are as follows:

Tax Credit

In order to ensure that those persons who now receive relatively low levels of income do not suffer any deterioration in their standard of living because of the phenomenon outlined earlier, I propose to increase the tax credit from \$100 to \$300 for persons receiving a gross income of \$6 000 or less per annum and to extend a new tax credit of \$100 to persons in receipt of a gross income in excess of \$6 000 but less than \$8 000 per annum.

These changes in the tax credit will result in over 30,000 persons being no longer liable for income tax. As from next week, persons working for \$90 per week or less will not be subject to PAYE deductions, not next week, next month, next year — not any time while I am Minister of Finance. When one remembers, Mr. Speaker, that in 1976 when we took over the Government you could begin to pay income tax in this country on a wage as low as \$24 weekly, the extent of this concession, which raises the effective tax floor to a minimum of \$90, can be recognised.

I turn now to the bands of taxable income and the rates applicable to each band. At present there are bands of \$2 000, \$3 000, \$4 000 and \$14 000. I propose to replace them with bands either \$5 000 or \$10 000 wide and to reduce the rates as follows:

At present, Sir, persons with a taxable income of up to \$3 000 pay tax at the rate of 10%. This band will be widened to \$5 000 and the first \$5 000 of taxable income will accordingly pay tax at 10%. At present persons with a marginal income of \$3 000 to \$6 000 pay at 20%. I propose to extend the 20% rate up to an income of \$10 000. That will embrace therefore persons who pay at a rate of 30% between \$6 000 and \$8 000 and 35% at \$10 000. In other words, Mr. Speaker, where you were formerly paying income tax at the rate of 35% on \$10 000 you will now pay income tax at 20% at the same level. The rate of 30% will go to \$15 000. The previous limit was \$8 000; it will now be \$15 000. The rate of 40% whose previous limit was \$12 000 will now go to \$20 000. The rate of 50%, the upper limit of the \$30 000, previously at \$30 000 you paid 60%; this is now being brought down to 50%. Incomes between \$30 000 and \$40 000 will pay at a rate of 60% and over \$40 000 will pay at a rate of 70%.

The revised rate structure which I have just outlined will mean a concession in revenue of approximately \$17.8 million as well as additional tax credits amounting to \$6.2 million, resulting in an overall reduction of the burden of income taxation of some \$24 million per annum or approximately 30% of net tax collected last year. This will result in substantial benefits to taxpayers in terms of tax savings and increased disposable income. For example, under existing rates, a single taxpayer earning \$150 weekly and who has no children or other allowances pays \$960 in tax in a year. Under the new rate structure and the extended credit he will pay only \$640, a saving of no less than \$320, or a third of his present tax.

A single person with two children at school earning \$1 000 per month will now pay \$1 380 instead of \$1 990. This means a tax saving of \$610 a year. A married person with a spouse not working and two children in receipt of income of \$18 000 per year will now pay \$2 760 in tax instead of \$4 100, which means that a person working for \$1 500 a month will save tax of more than \$110 a month. Last year when substantial tax reductions were also given I announced that no PAYE deductions would be made in June, up to a limit of \$1 600. This year's concessions are so considerable that they cannot be accommodated in a single month. With effect from September 1, new tax tables will be available and I therefore propose that no PAYE will be deducted from Barbadians during the months of August and December 1980, up to a limit of \$1 600 in each month. No tax for Christmas, Mr. Speaker. As a special concession to sugar workers, the months when no deductions will be made from their pay will be next month, May, and December since their peak earnings and peak payments of tax will be over by August.

Mr. Speaker, in each of my four Budgetary Proposals made to this venerable House, I have announced income tax concessions for the public of Barbados, whether these concessions have been in the form of increased allowances or tax credits or reduced rates. The cumulative effect of this radical re-structuring of the system of personal taxation in this country since 1977 (including the proposals made here today) will be an effective reduction in the burden of income tax of the order of some \$41 million. To put this another way, if tax rates and allowances had remained unaltered, the sixty-seven thousand taxpayers of this Island would have had collectively to find \$41 million more out of their incomes to pay into the Treasury.

It is clear, therefore that as a result of the changes introduced since 1977, taxpayers by 1981 will have had an increase of at least \$41 million in their disposable incomes to spend or save as they freely choose. This is surely a major incentive to greater individual effort.

I think it necessary too, to point out to the workers' representatives that this effective increase in disposable incomes, which is real and not illusory, as increases in nominal wages often are, is a fact which must be borne in mind when negotiating a fair day's wage for a fair day's work, especially from the Government.

Mr. Speaker, Sir, the bucket of income tax concessions is not yet empty.

Allowances

Last year Old Age Pensions were raised and they will be raised again next year. But, at the moment there are a number of persons in the community who are 65 years of age or over and who are not in receipt of an Old Age Pension because they have other sources of income. Unfortunately, several of these persons now pay income tax, even on their pensions unlike persons receiving Old Age or National Insurance retirement Pensions. Therefore, I propose to extend some relief to such persons by making special Income Tax allowances for them. I therefore propose to increase the

personal allowance for single persons 65 years and over from \$1 600 to \$4 000 and for married persons, 65 years and over, whose spouse is not in receipt of income from \$3 000 to \$5 000 per annum.

I do not this year propose any increases in allowances for children. Instead, the Cabinet has decided to implement the School Uniform Scheme as from the school term beginning in September, 1980. Under this scheme, the Government will make a cash payment of \$100 per child to all parents of children entering Secondary Schools, Government and Private, for the first time as a contribution towards the purchase of the necessary school uniforms. The annual payments will continue as long as the child remains in school and each year the new intake will be brought into the scheme, so that at the end of 5 or 6 years coverage will be complete. Phase I, for the new entrants who will go into secondary school for the first time in 1980, will cost \$400 000.

At present, Mr. Speaker, many companies are in the habit of making gifts in kind to employees on their retirement in appreciation for services rendered during their working life. It is recognised that with inflation, such gifts do not have much significance and it seems more appropriate that companies should be encouraged to offer retiring employees shares in lieu of such gifts as a means of ensuring that they receive some additional financial rewards in subsequent years. Therefore in order to promote this idea, I have decided to exempt the value of such shares from income tax up to a value of \$5 000. This concession is expected to cost the revenue \$100 000.

No change in rates is proposed for Corporation Tax, but I consider that this time is also appropriate to review the method for the computation of annual allowances on capital expenditure on machinery or plant acquired for use by persons in their businesses.

The existing income tax law provides for annual allowances to be written off such capital expenditure on a basis commonly known as the diminishing or reducing balancing method. Even though it does not present any difficulty in making calculations, yet it is recognised that this method prolongs the period of write-off, and businesses are confronted annually with insignificant amounts of written down balances for computations of annual allowances. This can be tiresome and time-consuming for the persons involved.

I have therefore decided to introduce a change over to the method known to accountants as the straight line or fixed instalment method. Its advantages stem from the fact that the assets are written off completely over a comparatively shorter period of time, and the annual deduction is much higher than that falling under the diminishing balance method.

As a consequence, the irritation and inconvenience created under the former method will be removed. From Income Year 1980, persons carrying on businesses will be permitted to make any necessary adjustments to capital allowances on expenditure incurred previously, to bring written down values up to date.

I further propose to increase the level at which gross incomes of corporate employees may be charged as taxable expenses from \$50 000 to \$72 000 per annum. This is estimated to cost the revenue \$200 000 and finally in regard to corporate taxes, it has been drawn to my attention that there has been a big increase in the number of companies seeking an extension of the time in which to file their returns. Naturally, this development is one for concern, particularly in times of inflation. Therefore, it is my intention to review the present system under which companies are required to file their returns of corporation tax and to issue a statement in due course.

I turn Mr. Speaker, to Withholding Taxes. Following the introduction of Withholding Tax on interest, a situation had developed where interest earned on the investment of subscriptions of Trade Union members falls within the scope of the withholding tax. In an effort to ensure that the appropriate climate is created to facilitate the growth and expansion of workers' organisations — which I have always fully supported — I propose to exempt interest earned by Workers' Unions on such investments from Withholding Tax.

Within recent times, there has been an increase in the appearances of non-resident entertainers in various activities, particularly in wrestling. These persons, being non-residents, are not subject to income tax in the same crippling way as residents and it is my view that in return for the use of facilities provided in this country, they should leave behind some small part of their earnings. I therefore propose to bring such earnings within the scope of the Withholding Tax and to apply a rate of 25% of the total earnings. The promoters of the wrestling and other shows will be responsible for withholding the tax and paying the same to the Commissioner of Inland Revenue immediately after the show.

I don't know Sir, if the Commissioner is going to collect it by the same gentleman he sends to stand at the door and collect the entertainment tax, but it is expected that revenue from this source will be at least \$60 000. This amount is small but on grounds of equity the tax is justifiable.

Mr. Speaker, these are the last of the Budgetary Proposals for 1980. These proposals which have been formulated against the background of an increasingly troubled inter-national and regional economic climate, seek to ensure the continued delivery of vital public services, while at the same time offering the taxpayers of this country for the first time in many years, a real choice in the disposition of their hard-earned income.

As I have said, Mr. Speaker, the concessions are expected to result in a reduction in the income tax burden and therefore a loss to the revenue of more than \$24 million. I am sure that no one will dispute that so substantial a reduction in personal income taxation is unprecedented and unheard of in our history, but I think that it was vitally necessary at this time. Barbados has developed far beyond the point where the level of income tax is a matter of concern only to the privileged few. A static rate schedule, escalating prices and rapidly rising employment and incomes have

ensured that more than 70% of all working Barbadians are now subject to income tax or at least were now subject to it before this Budget. And there is no doubt therefore, that the adverse effects of an overly progressive rate structure have become a critical issue in this country. Bus drivers, sugar workers, construction workers, hotel workers — all these have been complaining that too large a part of their income is being pre-empted by the Tax man — and despite the fact that the World Bank and other outside institutions see us as a well-run and well-off developing country we all know here in Barbados that there is still a gap between income and aspirations for most of our citizens.

The Budget therefore, has sought to re-structure the entire tax system in a way which will ensure greater rewards for individual effort. To do this, while at the same time safeguarding the Government's ability to continue to provide needed social services, to maintain public sector employment and to meet this year's Civil Service salary revision costs, it has been necessary to re-distribute the tax burden away from income and towards expenditure on goods and services. But in doing this, great care has been taken to ensure that the impact on the cost of living has been kept to a minimum. Furthermore, unlike the case of some other countries, developed and developing, which have undertaken a similar exercise, the top rate of tax has not itself been reduced since I feel that in Barbados a high marginal rate should apply to the relatively few individuals who earn in excess of the new level \$40 000 at which the top rate now applies.

For a developing country, Barbados has an equitable income structure, with the top 20% of taxpayers taking only 44% of reported income, less than in the USA or Japan but more than Britain or Australia. I will not give the statistics, Mr. Speaker for the very top incomes, those over \$100 000 annually, since it seems that on the last occasion when I did so the figures exercised a restraining effect on incomes reported in the following year! But although the highest incomes in Barbados are low compared with some Caricom countries, and of course with industrialised countries, I am persuaded that, at this stage of our development, sacrifice must continue to be called for from those who enjoy substantial earning power within our economy.

The Government has sought, and I believe achieved, a fair re-distribution of the tax burden. The changing of rates and the increase of the tax credit has resulted in almost half of all taxpayers being relieved of the need to make any further PAYE contributions. In addition, income earners in the middle range now find their monthly tax payments considerably reduced. At the same time, in the comprehensive re-structuring of the indirect tax regime, taxation of basic necessities like food and drugs has been deliberately avoided and, the level of existing taxes on many items of mass consumption has been reduced.

The emphasis has been placed on increasing indirect taxes on luxury or high cost items, and on a range of goods and services sold to visitors who share the facilities provided by local taxpayers.

Taking into account consumption taxes, reductions as well as increases; water rates; new gasoline and diesel prices, it has been calculated on the basis of the new household budget figures collected by the Statistical Department, that the effect of this Budget on the cost of living will be a one-shot increase of between $\frac{3}{4}$ of 1% and 1%. I consider this a reasonable price to pay for reductions in income tax that amount to at least 5% of total income for virtually all taxpayers.

In summary then, the revenue loss expected to result from the main tax concessions I have announced is \$24.4 million made up as follows:

	\$M
Income Tax rate adjustments	17.8
Increased tax credits	6.2
Rebate on Agricultural Machinery	0.1
Exemption of shares in lieu of retirement gifts	0.1
Miscellaneous	0.2

Additional revenue, to meet salary increases and contribute towards development, will be raised as follows:

	\$M
Consumption taxes	21.0
Betting and Gaming taxes	0.8
Liquor licences	0.1
Highway and motor vehicle revenue including petroleum taxes and the tax on self-drive cars	3.1
Water rates	2.9
New business & exchange control fees	0.6
Boat & Cruise licences	0.1
Charges related to the use of Grantley Adams Airport	3.0
Property Transfer Tax	0.2
	31.8

So Mr. Speaker, in conclusion:

The pattern of the last four years has shown us that everything involved in the management of a country has a time. The words of Ecclesiastes, echoed by generations of Christians, remind us that —

“To everything there is a season, and a time
to every purpose under the heaven
“A time to be born, and a time to die
“A time to plant, and a time to pluck
up that which is planted.....”

In the four Budgets which I have delivered, I have stated the Government's targets each in their time, and each in their time the Government and People of Barbados have met those targets. We aimed at improving the Government's finances. The Government's finances have improved. We aimed at improving the balance of payments. The balance of payments has improved. We aimed at improving employment. Employment has improved. We aimed at expanding the economy. The economy has expanded. We aimed at reducing taxes and this evening, income taxes are reduced again. We have planted, Mr. Speaker, and no one must pluck from the hands of Barbadians the fruits of their labours and the harvest of their sacrifices.

SUMMARY OF BUDGETARY PROPOSALS 1980

1. The target employment figure under the Employment Levy has been increased to 17.5% over base year 1977. Employment Levy remains at 2½%. The levy will come to an end this year.
2. Increased coverage of the Consumption Tax and the adoption of a standard rate of 5% except in special cases where higher rates are levied. The expected net revenue yield is \$21.0 million.
3. Incorporation of provisions of Motor Vehicle Tax into the Consumption Tax Act. Adjustment in rates because of inclusion of duty in base of Consumption Tax. Passenger cars with value of \$16 000 or less will be subject to 20% rate while those with value of more than \$16 000 will carry a 40% rate.
4. Increases in Consumption Tax on Alcoholic Beverages except for Blended Whisky and Blended Brandy where the tax will be reduced to \$10 per litre. Additional revenue of \$1.4 million expected.
5. A special rate of Consumption Tax of 30% applied to Gaming Machines and retained for water heaters other than solar.
6. Increase in half-yearly licence fee for Gaming Machines from \$1 000 to \$1 500 with a fee of \$2 500 for each machine if paid annually.
7. Increase in fees for Arcades from \$15 000 half-yearly to \$30 000 or \$50 000 for a whole year if paid in one instalment.
8. Increase in fee for Amusement Machines from \$40 monthly to \$600 annually with pool tables now excluded.
9. Increase in half-yearly licence fee for Racing Service Business from \$20 000 to \$25 000.
10. Reduction in rates charged on bingo games organised for charitable purposes and for which the draw or call is not made on radio or television. The following rates now apply:
 - 20 cents for a ticket costing more than 25 cents but less than \$2
 - 50 cents for more than \$2 but less than \$5 and 20 cents in the dollar or part thereof above \$5. The 5 cents rate for tickets costing 25 cents or less will remain.
11. Increased charges for liquor licences. Estimated revenue yield is \$127 000.
12. Extension of bottom rate of schedule for registration of vehicles up to 1150 kgs with a registration fee of \$100. Estimated revenue yield is \$380 000.

13. All vehicles with unladen weight of 2 tonnes or less and all omnibuses now subject to import licence.
14. Changes in method and charges used for registering Public Service Vehicles. Additional revenue of \$200 000 expected. The licence fee now paid to Collector of Taxes for self-drive cars will be abolished.
15. Increase in tax on gasoline and diesel by 2 cents per litre. Estimated revenue of \$1.9 million should result.
16. Increased Water Rates are expected to result in additional revenue of approximately \$2.9 million.
17. Increases in company and other registration fees including Patents and Trade Marks.
18. Imposition of charges on Exchange Control Applications for remitting foreign currency abroad. Additional revenue of \$540 000 in a full year.
19. Imposition of an 8% surcharge tax on proceeds from rental of self-drive cars. Additional revenue of \$600 000 is expected.
20. Registration fee of \$500 per annum for all launches, boats and ships, including sailing vessels, which are engaged in providing passenger or cruise services or pleasure trips starting and ending in Barbados. In addition, a tax of \$3 per passenger will be charged. Additional revenue of \$130 000 is expected.
21. Imposition of a through-put charge on fuel supplied to aircraft. Charges of 2 cents per litre on Avgas and 0.8 cents per litre on Jet A1 will be levied. Additional revenue of \$1.8 million is expected.
22. Increased Airline Business Tax from 5% to 8% is expected to yield additional revenue of \$480 000.
23. Increased Air Cargo Warehouse Rent to \$6.50 per 1000 square centimetres is expected to result in additional revenue of \$100 000.
24. Increased landing charges for aircraft are expected to yield additional revenue of \$600 000.
25. Property Transfer Tax payable by non-nationals is increased from 10% to 15% and is expected to yield additional revenue of \$200 000.
26. Imposition of charges on idle agricultural land is expected to give additional revenue of \$120 000 in the 1981 tax year.

27. Cash Rebates to be given by the Government on agricultural machinery at rates of 10%, 15% and 18% depending on the type of equipment purchased, should result in a revenue loss of \$100 000 in the first year.
28. Introduction of scheme whereby Government will guarantee the full repayment of principal and interest with respect to any loan made by way of a mortgage to owners of chattel houses.
29. Grant of 4% of improved value of houses for maintenance, repairs and certain improvements.
30. Increased tax credit from \$100 to \$300 for persons with gross income of \$6 000 or less and grant of credit of \$100 to persons with incomes in excess of \$6 000 but less than \$8 000 will result in additional revenue loss of \$6.2 million.
31. Adjustments to income tax rates and taxable income bands will result in revenue loss of \$17.8 million.
32. Special allowances of \$4 000 and \$5 000 respectively for single and married persons 65 years or over who are not Old Age Pensioners. These changes in income taxation will reduce the total yield of the tax by 30%.
33. Introduction of straight line method of depreciation for use by companies instead of present method known as reducing balance method.
34. Increase in level at which gross incomes of corporate employees may be charged as taxable expenses from \$50 000 to \$72 000 per annum.
35. Exemption of interest on Trade Union subscriptions from Withholding Tax.
36. Imposition of withholding tax of 25% on total earnings of foreign entertainers. Additional revenue of \$60 000 is expected.
37. Exemption of shares up to value of \$5 000 issued in lieu of retirement gifts is expected to result in revenue loss of \$100 000.

Appendix I

(a) Patents

Fees to be paid in respect of the several matters hereunder specified:—

	<i>Present</i>	<i>Proposed</i>
	\$	\$
For every application for a patent accompanied by a provisional specification only	40.00	80.00
Examiner's fee on reference of application with provisional specification, not exceeding	75.00	150.00
For every application for a patent accompanied by a complete specification	100.00	200.00
On filing complete specification after provisional specification	60.00	120.00
Examiner's fee on reference of complete specification, not exceeding	75.00	150.00
On extending the time for leaving complete specification	5.00	10.00
On extending the time for acceptance of complete specification	5.00	10.00
On every patent before the expiration of four years from its date	1,000.00	2,000.00
And further before the expiration of seven years ..	2,000.00	4,000.00
Or in lieu of the fees of \$1,000 and \$2,000 the following annual fees before the expiration of the fourth year from the date of the patent	200.00	400.00
fifth	200.00	400.00
sixth	200.00	400.00

Appendix I – Cont'd.

(b) Trade Marks

	<i>Present</i>	<i>Forms</i>	<i>Proposed Fees</i>
	\$		\$
On application to register a trade mark	30.00	2	60.00
On notice of opposition under section 11 or on application to intervene in any proceedings	20.00	3	40.00
On lodging a counter-statement in answer to a notice of opposition	10.00	4	20.00
On the hearing of any opposition by applicant and by opponent respectively ..	20.00		40.00
For registration of a trade mark ..	30.00	6	60.00
On application to register a registered trade user of Registered Trade Mark ..	20.00	25	40.00
On application to vary the entry of a registered user by the registered proprietor ..	20.00	28	40.00
On application by registered proprietor of trade mark for cancellation of entry of registered user	20.00	27	40.00
On application for directions by the Registrar for advertisement of assignment of trade mark in use without goodwill –			
For one mark assigned	10.00	26	20.00
And for every other mark assigned with the same devolution of title	1.00		2.00
On request to enter in the register a certificate of validity under Rule 60	10.00	24	20.00
On application to register a subsequent proprietor in case of assignment or transmission of a single trade mark	20.00	10 & 11	40.00

Appendix I – *Cont'd.**(b) Trade Marks –Cont'd.*

	<i>Present</i>	<i>Forms</i>	<i>Proposed Fees</i>
	\$		\$
On application to change the name or description of a proprietor or a registered user when there has been no change in the proprietorship or in the identity of the registered user ..	10.00	14	20.00
For renewal of registration of a trade mark	20.00	8	40.00
For restoring a trade mark	20.00	9	40.00
(For restoration and renewal)	40.00	8 & 9	80.00
On application to add to or alter a registered trade mark	20.00	17	40.00
On application for rectification of the register or removal of trade mark from the register	30.00	18	60.00
On notice of opposition to application for leave to add to or alter a registered trade mark	20.00	19	40.00
For altering an entry of the trade or business address of a registered proprietor or registered user of a trade mark	10.00	12	20.00
For cancelling the entry or any part of the entry of a trade mark on the register on the application of the registered proprietor	10.00	15	20.00
On request, not otherwise charged for correction of clerical error or for permission to amend application	10.00	13	20.00
On request by registered proprietor of a trade mark for entry of disclaimer or memorandum to the register	10.00	16	20.00
On any application to the Court not otherwise charged	20.00		40.00

Appendix I – Concl'd.

(b) Trade Marks – Concl'd.

	<i>Present</i>	<i>Forms</i>	<i>Proposed Fees</i>
	\$		\$
For a search under Rule 77	10.00	20	20.00
On request for Registrar's preliminary advice for each trade mark submitted ..	2.00	20A	4.00
For certificate of Registrar under 74 ..	10.00	21	20.00
For entering, altering or submitting one or more entries of an address for service in the register	12.00	22	4.00
For office copy of documents	.60		1.20
For Photographic copy of documents ..	Cost according to agreement		
For certifying office copies MSS or photographic or printed matter ..	10.00		20.00
For advertising	According to Advertisement rates		

Appendix II

Scale of Fees Payable for Exchange Control Applications

<i>(a) Remittance of Funds</i>				<i>Rate of Fee</i>
				\$
Where the amount exceeds \$500 but does not exceed \$1 000	..	..	..	20
Exceeds \$1 000 but does not exceed \$3 000	..	..	..	30
Exceeds \$3 000 but does not exceed \$4 000	..	..	..	40
Exceeds \$4 000 but does not exceed \$4 999	..	..	..	45
Over \$4 999, 1% with a maximum of \$100				
<i>(b) Property Transfers under Section 33 of Exchange Control Act, Cap. 71</i>				
Where there is no value	..	..	..	20
Where the value of the consideration, including furniture, does not exceed \$50 000, 1% of such value with a maximum of \$100				
Over \$50 000 at the rate of \$200 per approval				
<i>(c) Certificate of Validation under Section 21(1) of Exchange Control Act, Cap. 71</i>				
(i) For securities as defined in the Act at the rate of \$50 per transaction				
(ii) For those under Section 33 of the Act, a fee per transaction equal to three times the rate payable under (b) above				
<i>(d) Transactions re Foreign Currency Securities where no remittance of funds is involved</i>				
(i) Switching from one particular stock to another, \$200.00 per transaction				
(ii) Where overseas funds are to be utilised at the rates prescribed under (a)				
<i>(e) Miscellaneous Applications</i>				
For official searches where certificates of registration of foreign investment have previously been given by the Central Bank or the Ministry of Finance at the rate of \$50 per application.				

SCHEDULE

Appendix III

(Section 6)

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
06.01	Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower	5%
Ex. 06.02	Other live plants including trees, shrubs, bushes, roots, cuttings and slips:	
06.02.9	Other than banana, coconut and cocoa plants	5%
06.03	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared	10%
06.04	Foliage, branches and other parts (other than flowers or buds) of trees, shrubs, bushes and other plants, and mosses, lichens and grasses, being goods of a kind suitable for bouquets or ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared	10%
14.01	Vegetable materials of a kind used primarily for plaiting (for example, cereal straw, cleaned, bleached or dyed, osier, reeds, rushes, rattans, bamboos, raffia and lime bark)	5%
17.04	Sugar confectionery, not containing cocoa	5%
18.06	Chocolate and other food preparations containing cocoa	5%
20.07	Fruit juices (including grape must) and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit	5%
Ex. 22.01	Waters, including spa waters and aerated waters; ice and snow:	
22.01.1	Aerated waters	
22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading No. 20.07:	
	(i) Containers not exceeding 207 ml	2 cents per container
	(ii) Containers exceeding 207 ml but not exceeding 355 ml	3 cents per container
	(iii) Containers exceeding 355 ml	.01 cents per millilitre
22.03	Beer made from malt:	50 cents per litre

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol	\$2.50 per litre
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol:	\$2.50 per litre
22.06	Vermouths and other wines of fresh grapes flavoured with aromatic extracts	\$2.50 per litre
22.07	Other fermented beverages (for example, cider, perry and mead)	\$2.50 per litre
22.09	Spirits (other than those of Heading No. 22.08); Liqueurs and other spirituous beverages; Compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages:	
22.09.1	Whisky:	
22.09.11	In bottle of a strength not exceeding 80% proof spirit	\$5.00 per litre
22.09.12	Blended whisky	\$10.00 per litre
22.09.19	Other	\$6.00 per litre
22.09.2	Brandy:	
22.09.21	In bottle of a strength not exceeding 80% proof spirit	\$5.00 per litre
22.09.22	Blended brandy	\$10.00 per litre
22.09.29	Other	\$6.00 per litre
22.09.4	Gin:	
22.09.41	In bottle of a strength not exceeding 80% proof spirit	\$5.00 per litre
22.09.49	Other	\$6.00 per litre
22.09.5	Vodka	\$5.00 per litre
Ex. 22.09.9	Other:	
22.09.91	Cordials and liqueurs	\$2.50 per litre
22.09.93	Other aromatic bitters	\$1 32 per litre
22.09.99	Other spirits	\$10.00 per litre
Ex. 23.07	Sweetened forage, other preparations of a kind used in animal feeding:	
23.07.1	Food for pets	10%
24.02	Manufactured tobacco; tobacco extracts and essences:	
24.02.1	Cigars and cheroots; cigarillos	\$11.00 per kg

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
24.02.2	Cigarettes	15 cents per 5 cigarettes
24.02.3	Snuff	\$11.00 per kg
24.02.9	Other	\$11.00 per kg
25.23	Portland cement, cement fondu, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinker	10 cents per 50 kg
27.11	Petroleum gases and other gaseous hydrocarbons:	
27.11.1	Liquefied butane and propane	5%
27.11.2	Other Liquefied gaseous hydrocarbons	5%
27.11.3	Natural Gas	5%
27.11.9	Other	5%
27.13	Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured	5%
32.05	Synthetic organic dyestuffs (including pigment dyestuffs); synthetic organic products of the kind known as optical bleaching agents, substantive to the fibre: natural indigo	5%
32.06	Colour lakes	5%
32.07	Other colouring matter; inorganic products of a kind used as luminophores	5%
32.08	Prepared pigments, prepared opacifiers and prepared colours, vitrifiable enamels and glazes, liquid lustres and similar products, of the kind used in the ceramic, enamelling and glass industries; engobes (slips); glass frit and other glass in the form of powder, granules or flakes	5%
32.09	Varnishes and lacquers; Distempers; prepared water pigments of the kind used for finishing leather; paints and enamels; pigments in linseed oil, white spirit, spirits of turpentine, varnish or other paint or enamel media; stamping foils; dyes or other colouring matter in forms or packings of a kind sold by retail; solutions as defined by note 4 to this chapter	5%
32.10	Artists', students' and signboard painters' colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or in similar forms or packings, including such colours in sets or outfits with or without brushes, palettes or other accessories	5%
32.11	Prepared driers	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
32.12	Glaziers' putty; grafting putty; painters' fillings; non-refractory surfacing preparations; stopping, sealing and similar mastics, including resin mastics and cements	5%
32.13	Writing ink, printing ink and other inks	5%
33.01	Essential oils (terpeneless or not), concretes and absolutes; resinoids; concentrates of essential oils in facts, in fixed oils, or in waxes or the like, obtained by cold absorption or by maceration; terpenic by-products of the deterpenation of essential oils	5%
33.04	Mixtures of two or more odoriferous substances (natural or artificial) and mixtures (including alcoholic solutions) with a basis of one or more of these substances of a kind used as raw materials in the perfumery, food, drink or other industries	5%
33.06	Perfumery, cosmetic and toilet preparations; aqueous distillates and aqueous solutions of essential oils, including such products suitable for medicinal uses:	
33.06.1	Aqueous distillates and other aqueous solutions of essential oils, including such products suitable for medicinal uses	5%
33.06.2	Bay rum	10%
33.06.3	Shampoo, tooth-paste and tooth powder (including dental powder and dental soap):	
33.06.31	Shampoo	5%
33.06.32	Tooth-paste	5%
33.06.39	Other	5%
33.06.4	Perfumes and toilet waters	10%
33.06.5	Cosmetics and other products for the care of the skin	10%
33.06.6	Manicure preparations	10%
33.06.7	Products for the care of the hair (excluding shampoo)	5%
33.06.9	Other	5%
34.01	Soap; organic surface-active products and preparations for use as soap, in the form of bars, cakes or moulded pieces or shapes, whether or not combined with soap	5%
34.02	Organic surface-active agents; surface-active preparations and washing preparations, whether or not containing soap	5%
34.03	Lubricating preparations, and preparations of a kind used for oil or grease treatment of textiles, leather or other materials, but not including preparations containing 70% or more by weight of petroleum oils or of oils obtained from bituminous minerals	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
34.04	Artificial waxes (including water-soluble waxes); prepared waxes, not emulsified or containing solvents	5%
34.05	Polishes and creams, for footwear, furniture or floors, metal polishes, scouring powders and similar preparations, but excluding prepared waxes falling within heading No. 34.04	5%
34.06	Candles, tapers, night-lights and the like	5%
34.07	Modelling pastes (including those put up for children's amusement and assorted modelling pastes); preparations of a kind known as "dental wax" or as "dental impression compounds" in plastic horseshoe shapes, sticks and similar forms	5%
35.01	Casein, caseinates and other casein derivatives; casein glues	5%
35.02	Albumins, albuminates and other albumin derivatives	5%
35.03	Gelatin (including gelatin in rectangles whether or not coloured or surface-worked) and gelatin derivatives; glues derived from bones, hides, nerves, tendons or from similar products, and fish glues; isinglass	5%
35.04	Peptones and other protein substances (excluding enzymes of heading No. 35.07) and their derivatives; hide powder, whether or not chromed	5%
35.05	Dextrins and dextrin glues; soluble or roasted starches; starch glues	5%
35.06	Prepared glues not elsewhere specified or included; products suitable for use as glues put up for sale by retail as glues in packages not exceeding a net weight of 1 kg	5%
35.07	Enzymes; prepared enzymes not elsewhere specified or included	5%
36.06 36.06.1	Matches (excluding bengal matches): In containers of 60 matches or less	\$1.00 per hundred containers
36.06.2	In containers of more than 60 matches	\$1.00 per six thousand matches
37.01	Photographic plates and film in the flat, sensitised, unexposed, of any material other than paper, paperboard or cloth	5%
37.02	Film in rolls, sensitised, unexposed, perforated or not	10%
37.03	Sensitised paper, paperboard and cloth unexposed or exposed but not developed	5%
37.04	Sensitised plates and film, exposed but not developed, negative or positive	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
37.05	Plates, unperforated film and perforated film (other than cinematograph film), exposed and developed, negative or positive	5%
37.08	Chemical products and flashlight materials of a kind and in a form suitable for use in photography	5%
Ex. 38.11	Disinfectants, insecticides, fungicides, rat poisons, herbicides, anti-sprouting products, plant-growth regulators and similar products, put up in forms or packings for sale by retail or as preparations or articles (for example, sulphur-treated bands, wicks and candles, fly-papers): other than for use in agriculture or horticulture	5%
38.18	Composite solvents and thinners for varnishes and similar products	5%
39.01	Condensation, polycondensation and polyaddition products, whether or not modified or polymerised, and whether or not linear (for example, phenoplasts, aminoplasts, alkyds, polyallyl esters and other unsaturated polyesters, silicones)	5%
39.02	Polymerization and copolymerization products (for example, polyethylene, polytetrahaloethylenes, polyisobutylene, polystyrene, polyvinyl chloride, polyvinyl acetate, polyvinyl chloroacetate and other polyvinyl derivatives, polyacrylic and polymethacrylic derivatives, coumarone-indene resins)	5%
39.03	Regenerated cellulose; cellulose nitrate, cellulose acetate and other cellulose esters, cellulose ethers and other chemical derivatives of cellulose plasticised or not (for example, collodions, celluloid); vulcanized fibre	5%
39.04	Hardened proteins (for example, hardened casein and hardened gelatin)	5%
39.05	Natural resins modified by fusion (run gums); artificial resins obtained by esterification of natural resins or of resinic acids (ester gums); chemical derivatives of natural rubber (for example, chlorinated rubber, rubber hydrochloride, oxidised rubber, cyclised rubber)	5%
39.06	Other high polymers, artificial resins and artificial plastic materials, including alginic acids, its salts and esters; linnoxyn	5%
39.07	Articles of the materials of the kind described in headings Nos. 39.01 to 39.06	5%
40.08	Plates, sheets, strip, rods and profile shapes of unhardened vulcanised rubber	5%
40.09	Piping and tubing of unhardened vulcanized rubber	5%
40.11	Rubber tyres, tyre cases, interchangeable tyre threads, inner tubes and tyre flaps, for wheels of all kinds	10%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
40.12	Hygienic and pharmaceutical articles (including teats), of unhardened vulcanized rubber, with or without fittings of hardened rubber	5%
40.13	Articles of apparel and clothing accessories (including gloves), for all purposes, of unhardened vulcanized rubber	5%
40.14	Other articles of unhardened vulcanized rubber	5%
40.15	Hardened rubber (ebonite and vulcanite) in bulk, plates, sheets, strip, rods, profile shapes or tubes; scrap, waste and powder, of hardened rubber	5%
40.16	Articles of hardened rubber (ebonite and vulcanite)	5%
41.02	Bovine cattle leather (including buffalo leather) and equine leather, except leather falling within heading No. 41.06 or 41.08:	5%
41.03	Sheep and lamb skin leather except leather falling within heading No. 41.06 or 41.08	5%
41.04	Goat and kid skin leather, except leather falling within heading No. 41.06 or 41.08	5%
41.05	Other kinds of leather, except leather falling within heading No. 41.06 or 41.08	5%
41.06	Chamois-dressed leather	5%
41.08	Patent leather and imitation patent leather; metallized leather	5%
41.10	Composition leather with a basis of leather or leather fibre, in slabs, in sheets or in rolls	5%
42.01	Saddlery and harness, of any material (for example, saddles, harness, collars, traces, knee-pads and boots), for any kind of animal	5%
42.02	Travel goods (for example, trunks, suitcases, hat-boxes, travelling-bags, rucksacks), shopping-bags, handbags, satchels, brief-cases, wallets, purses, toilet-cases, tool-cases, tobacco-pouches, sheaths, cases, boxes (for example, for arms, musical instruments, binoculars, jewellery, bottles, collars, footwear, brushes) and similar containers, of leather, or of composition leather, of vulcanized fibre, of artificial plastic sheeting, of paperboard or of textile fabric	10%
42.03	Articles of apparel and clothing accessories, of leather or of composition leather	10%
42.05	Other articles of leather or of composition leather	10%
42.06	Articles made from gut (other than silk-worm gut, from gold-beater's skin, from bladders or from tendons)	10%
43.02	Furskins, tanned or dressed, including furskins assembled in plates, crosses and similar forms; pieces or cuttings of fur skin, tanned or dressed, including heads, paws, tails and the like (not being fabricated)	10%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
43.03	Articles of furskin	10%
43.04	Artificial fur and articles made thereof	10%
44.03	Wood in the rough, whether or not stripped of its bark or merely roughed down	5%
44.04	Wood roughly squared or half-squared but not further manufactured	5%
44.05	Wood sawn lengthwise, sliced or peeled but not further prepared, of a thickness exceeding 5 mm	5%
44.09	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; chipwood; drawnwood; pulpwood in chips or particles; wood shavings of a kind suitable for use in the manufacture of vitreous or for the clarification of liquids; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking-sticks, umbrella handles, tool handles or the like	5%
44.11	Fibre building board of wood or other vegetable material or not bonded with natural or artificial resins with other organic binders	5%
44.12	Wood wool and wood flour	5%
44.13	Wood (including blocks, strips and friezes for parquet or wood block flooring, not assembled), planed, tongued, grooved, rebated, chamfered, v-jointed, centre v-jointed, beaded, centre-beaded or the like, but not further manufactured	5%
44.14	Wood sawn lengthwise, sliced or peeled but not further prepared, of a thickness not exceeding 5mm; veneer sheets and sheets for plywood; of a thickness not exceeding 5 mm	5%
44.15	Plywood, blockboard, laminboard, battenboard and similar laminated wood products (including veneered panels and sheets); inlaid wood and wood marquetry	5%
44.16	Cellular wood panels, whether or not faced with base metal	5%
44.17	"Improved" wood, in sheets, blocks or the like	5%
44.18	Reconstituted wood, being wood shavings, wood chips, sawdust, wood flour or other ligneous waste agglomerated with natural or artificial resins or other organic binding substances, in sheets, blocks or the like	5%
44.19	Wooden beadings and mouldings, including moulded skirting and other moulded boards	5%
44.20	Wooden picture frames, photograph frames, mirror frames and the like	10%
44.21	Complete wooden packing cases, boxes, crates, drums and similar packings	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
44.22	Casks, barrels, vats, tubs, buckets and other coopers' products and parts thereof, of wood, including staves	5%
44.23	Builders' carpentry and joinery (including pre-fabricated and sectional buildings and assembled parquet flooring panels)	5%
44.24	Household utensils of wood	5%
44.25	Wooden tools, tool bodies, tool handles broom and brush bodies and handles; boot and shoe lasts and trees, of wood	5%
44.27	Standard lamps, table lamps and other lighting fittings, of wood, articles of furniture, of wood, not falling within chapter 94; caskets, cigarette boxes, trays, fruit bowls, ornaments and other fancy articles, of wood, cases for cutlery, for drawing instruments or for violins, and similar receptacles, of wood; articles of wood for personal use or adornment, of a kind normally carried in the pocket, in the handbag or on the person; parts of the fore-going articles, of wood	5%
44.28	Other articles of wood	5%
45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs, cut to size for corks or stoppers)	5%
45.03	Articles of natural cork	5%
45.04	Agglomerated cork (being cork agglomerated with or without a binding substance) and articles of agglomerated cork	5%
46.02	Plaits and similar products of plaiting materials, for all uses, whether or not assembled into strips; plaiting materials bound together in parallel strands or woven, in sheet form, including matting, mats and screens; straw envelopes for bottles	5%
46.03	Basketwork, wickerwork and other articles of plaiting, materials, made directly to shape; articles made up from goods falling within heading No. 46.02; articles of loofah	5%
Ex. 48.01	Paper and paperboard (including cellulose wadding), in rolls or sheets: other than newsprint	5%
48.03	Parchment or greaseproof paper and paper-board, and imitations thereof, and glazed transparent paper in rolls or sheets	5%
48.04	Composite paper or paperboard (made by sticking flat layers together with an adhesive), not surface-decorated or impregnated, whether or not internally reinforced, in rolls or sheets	5%
48.05	Paper or paperboard corrugated (with or without flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets	5%
48.07	Paper and paperboard, impregnated, coated, surface-coloured, surface-decorated or printed (not constituting printed matter within chapter 49) in rolls or sheets	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
48.08	Filter blocks, slabs and plates, of paper pulp	5%
48.10	Cigarette paper, cut to size, whether or not in the form of booklets or tubes	5%
48.11	Wallpaper and lincrusta; window transparencies of paper	5%
48.12	Floor coverings prepared on a base of paper or of paperboard, whether or not cut to size, with or without a coating of linoleum compound	5%
48.13	Carbon and other copying papers (including duplicator stencils) and transfer papers, cut to size, whether or not put up in boxes	5%
48.14	Writing blocks, envelopes, letter cards, plain postcards, correspondence cards; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing only an assortment of paper stationery	5%
48.15	Other paper and paperboard, cut to size or shape	5%
48.16	Boxes, bags and other packing containers, of paper or paperboard; box files, letter trays and similar articles, of paper or paperboard, of a kind commonly used in offices, shops and the like	5%
Ex. 48.18	Registers, exercise books, note books, memorandum blocks, order books, receipt books, diaries, blotting pads, binders (loose-leaf or other), file covers and other stationery of paper or paperboard; sample and other albums and book covers of paper or paperboard; other than exercise books	5%
48.19	Paper or paperboard labels, whether or not printed or gummed	5%
48.21	Other articles of paper pulp, paper, paperboard or cellulose wadding	5%
Ex. 49.07	Unused postage, revenue and similar stamps of current or new issue in the country to which they are destined; stamp-impressed paper, banknotes, stock, share and bond certificates and similar documents of title; cheque books:	
49.07.9	Other than unused postage, revenue and similar stamps and bank notes	5%
49.08	Transfers (decalcomanias)	5%
49.09	Picture postcards, Christmas and other picture greeting cards, printed by any process, with or without trimmings	5%
49.10	Calendars of any kind, of paper or paperboard, including calendar blocks	5%
50.04	Silk yarn, other than yarn of noil or other waste silk, not put up for retail sale	5%
50.05	Yarn spun from noil or other waste silk not put up for retail sale	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
50.07	Silk yarn, and yarn spun from noil or other waste silk, put up for retail sale; silkworm gut; imitation catgut of silk	5%
50.09	Woven fabrics of silk, of noil or other waste silk	5%
51.01	Yarn of man-made fibres (continuous), not put up for retail sale	5%
51.02	Monofil, strip (artificial straw and the like) and imitation catgut, of man-made fibre materials	5%
51.03	Yarn of man-made fibres (continuous) put up for retail sale	5%
51.04	Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip of heading No. 51.01 or 51.02	5%
52.01	Metallised yarn, being textile yarn spun with metal or covered with metal by any process	5%
52.02	Woven fabrics of metal thread or of metallised yarn, of a kind used in articles of apparel, as furnishing fabrics or the like	5%
53.06	Yarn of carded sheep's or lambs' wool (woolen yarn), not put up for retail sale	5%
53.07	Yarn of combed sheep's or lambs' wool (worsted yarn), not put up for retail sale	5%
53.08	Yarn of fine animal hair (carded or combed), not put up for retail sale	5%
53.09	Yarn of horsehair or of other coarse animal hair, not put up for retail sale	5%
53.10	Yarn of sheep's or lambs' wool, of horsehair or of other animal hair (fine or coarse), put up for retail sale	5%
53.11	Woven fabrics of sheep's or lambs' wool or of fine animal hair	5%
53.12	Woven fabrics of horsehair or of other coarse animal hair	5%
54.03	Flax or ramie yarn, not put up for retail sale	5%
54.04	Flax or ramie yarn, put up for retail sale	5%
54.05	Woven fabrics of flax or ramie	5%
55.05	Cotton yarn, not put up for retail sale	5%
55.06	Cotton yarn, put up for retail sale	5%
55.07	Cotton gauze	5%
55.08	Terry towelling and similar terry fabrics, of cotton	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
55.09	Other woven fabrics of cotton	5%
56.05	Yarn of man-made fibres (discontinuous or waste) not put up for retail sale	5%
56.06	Yarn of man-made fibres (discontinuous or waste), put up for retail sale	5%
56.07	Woven fabrics of man-made fibres (discontinuous or waste)	5%
57.04	Other vegetable textile, fibres, raw or processed but not spun; waste of such fibres (including pulled or garnetted rags or ropes)	5%
57.06	Yarn of jute or of other textile bast fibres of heading No. 57.03	5%
57.07	Yarn of other vegetable textile fibres; paper yarn	5%
57.10	Woven fabrics of jute or of other textile bast fibres of heading No. 57.03	5%
57.11	Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn	5%
58.01	Carpets, carpeting and rugs, knotted (made up or not)	10%
58.02	Other carpets, carpeting, rugs, mats and matting, and "kelem", "schumacs" and "karamanie" rugs and the like (made up or not)	10%
58.03	Tapestries, hand-made, of the type gobelins, flanders, aubusson, beauvais and the like, and needleworked tapestries (for example, petit point and cross stitch) made in panels and the like by hand	10%
58.04	Woven pile fabrics and chenille fabrics (other than terry towelling or similar terry fabrics of cotton falling within heading No. 55.08 and fabrics falling within heading No. 58.05)	5%
58.05	Narrow woven fabrics, and narrow fabrics (bolduc) consisting of warp without weft assembled by means of an adhesive, other than goods falling within heading No. 58.06	5%
58.06	Woven labels, badges and the like, not embroidered, in the piece, in strips or cut to shape or size	5%
58.07	Chenille yarn (including flock chenille yarn), gimped yarn (other than metallised yarn of heading No. 52.01 and gimped horsehair yarn); braids and ornamental trimmings in the piece; tassels, pompoms and the like	5%
58.08	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), plain	5%
58.09	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), figured; hand or mechanically made lace, in the piece, in strips or in motifs	5%
58.10	Embroidery, in the piece, in strips or in motifs	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
59.01	Wadding and articles of wadding; textile flock and dust and mill neps	5%
59.02	Felt and articles of felt, whether or not impregnated or coated	5%
59.03	Bonded fibre fabrics, similar bonded yarn fabrics and articles of such fabrics whether or not impregnated or coated	5%
59.04	Twine, cordage, ropes and cables, plaited or not	5%
Ex. 59.05	Nets and netting made of twine, cordage or rope, and made up fishing nets of yarn, twine, cordage or rope:	
59.05.9	Other than fishing nets	5%
59.06	Other articles made from yarns, twine, cordage, rope or cables, other than textile fabrics and articles made from such fabrics	5%
59.07	Textile fabrics coated with gum or amylaceous substances of a kind used for the outer covers of books and the like; tracing cloth; prepared painting canvas; buckram and similar fabrics for hat foundations and similar uses	5%
59.08	Textile fabrics impregnated, coated, covered or laminated with preparations of cellulose derivative or of other artificial plastic materials	5%
59.10	Linoleum and materials prepared on a base in a similar manner to linoleum, whether or not cut to shape or of a kind used as floor covering, floor coverings consisting of a coating applied on a textile base, cut to shape or not	5%
59.11	Rubberised textile fabrics, other than rubberised knitted or crocheted goods	5%
59.12	Textile fabrics otherwise impregnated or coated; painted canvas being theatrical scenery, studio back-cloths of the like	5%
59.13	Elastic fabrics and trimmings (other than knitted or crocheted goods) consisting of textile materials combined with rubber threads	5%
59.14	Wicks, of woven, plaited or knitted textile materials, for lamps, stoves, lighters, candles and the like, tubular knitted gas mantle fabric and incandescent gas mantles	5%
60.01	Knitted or crocheted fabric, not elastic nor rubberised:	5%
60.02	Gloves, mittens and mits, knitted or crocheted, not elastic nor rubberised	5%
60.03	Stockings, under stockings, socks, ankle socks, sockettes and the like, knitted or crocheted, not elastic nor rubberised	5%
60.04	Under garments, knitted or crocheted, not elastic nor rubberised	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
60.05	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised	5%
60.06	Knitted or crocheted fabrics and articles thereof, elastic or rubberised (including elastic kneecaps and elastic stockings)	5%
61.01	Men's and boys' outer garments	5%
61.02	Women's, girls' and infants' outer garments	5%
61.03	Men's and boys' under garments, including collars, shirt fronts and cuffs	5%
61.04	Women's, girls' and infants' under garments	5%
61.05	Handkerchiefs	5%
61.06	Shawls, scarves, mufflers, mantillas, veils and the like	5%
61.07	Ties, bow ties and cravats	5%
61.09	Corsets, corset-belts, suspender-belts, brassieres, braces, suspenders, garters and the like (including such articles of knitted or crocheted fabric), whether or not elastic	5%
61.10	Gloves, mittens, mitts, stockings, socks and sockettes, not being knitted or crocheted goods	5%
61.11	Made up accessories for articles of apparel (for example, dress shields, shoulder and other pads, belts, muffs, sleeve protectors, pockets)	5%
62.01	Travelling rugs and blankets	5%
62.02	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles	5%
62.03	Sacks and bags, of a kind used for the packing of goods	5%
62.04	Tarpaulins, sails, awnings, sunblinds, tents and camping goods	5%
62.05	Other made up textile articles (including dress patterns)	5%
64.01	Footwear with outer soles and uppers of rubber or artificial plastic materials	5%
64.02	Footwear with outer soles of leather or composition leather; footwear (other than footwear falling within heading No. 64.01) with outer soles of rubber or artificial plastic material	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
64.03	Footwear with outer soles of wood or cork	5%
64.04	Footwear with outer soles of other materials	5%
64.05	Parts of footwear (including uppers, in-soles and screw-on heels) of any material except metal	5%
65.03	Felt hats and other felt headgear, being headgear made from the felt hoods and plateaux falling within heading No. 65.01, whether or not lined or trimmed	5%
65.04	Hats and other headgear, plaited or made from plaited or other strips of any material, whether or not lined or trimmed	5%
65.05	Hats and other headgear (including hair nets), knitted or crocheted or made up from lace, felt or other textile fabric in the piece (but not from strips) whether or not lined or trimmed	5%
65.06	Other headgear whether or not lined or trimmed	5%
65.07	Head-bands, linings, covers, hat foundations, hat frames (including spring frames for opera hats), peaks and chinstraps, for headgear	5%
66.01	Umbrellas and sunshades (including walking-stick umbrellas, umbrella tents, and garden and similar umbrellas)	5%
66.02	Walking-sticks (including climbing-sticks and seat-sticks), canes, whips, riding-crops and the like	5%
66.03	Parts, fittings, trimmings and accessories of articles falling within heading No. 66.01 or 66.02	5%
67.02	Artificial flowers, foliage or fruit and parts thereof; articles made of artificial flowers, foliage or fruit	10%
67.04	Wigs, false beards, eyebrows and eyelashes, switches and the like, of human or animal hair or of textiles; other articles of human hair (including hair nets)	5%
68.01	Road and paving setts, curbs and flag-stones, of natural stone (except slate)	5%
68.02	Worked monumental or building stone, and articles thereof (including mosaic cubes), other than goods falling within heading No. 68.01 or within chapter 69	5%
68.03	Worked slate and articles of slate, including articles of agglomerated slate	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
68.04	Hand polishing stones, whetstones, oilstones, hones and the like, and millstones, grindstones, grinding wheels and the like (including grinding, sharpening, polishing, trueing and cutting wheels, heads, discs and points), of natural stone (agglomerated or not), of agglomerated natural or artificial abrasives, or of pottery, with or without cores, shanks, sockets, axles and the like of other materials, but without frameworks; segments and other finished parts of such stones and wheels, of natural stone (agglomerated or not), of agglomerated natural or artificial abrasives, or of pottery	5%
68.06	Natural or artificial abrasive powder or grain, on a basis of woven fabric, of paper, or paperboard or of other materials, whether or not cut to shape or sewn or otherwise made up	5%
68.07	Slag wool, rock wool and similar mineral wools; exfoliated vermiculite, expanded clays, foamed slag and similar expanded mineral materials; mixtures and articles of heat-insulating, sound-insulating, or sound-absorbing mineral materials. other than those falling within heading No. 68.12 or 68.13 or in chapter 69	5%
68.08	Articles of asphalt or of similar material (for example, of petroleum bitumen or coal tar pitch)	5%
68.09	Panels, boards, tiles, blocks and similar articles of vegetable fibre, of wood fibre, of straw, of wood shavings or of wood waste (including sawdust), agglomerated with cement, plaster or with other mineral binding substances	5%
68.10	Articles of plastering material	5%
68.11	Articles of cement (including slag cement), of concrete or of artificial stone (including granulated marble agglomerated with cement), reinforced or not	5%
68.12	Articles of asbestos-cement, of cellulose fibre-cement or the like	5%
68.13	Fabricated asbestos and articles thereof (for example, asbestos board, thread and fabric; asbestos clothing, asbestos jointing), reinforced or not, other than goods falling within heading No. 68.14; mixtures with a basis of asbestos and mixtures with a basis of asbestos and magnesium carbonate, and articles of such mixtures	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
68.14	Friction material (segments, discs, washers, strips, sheets, plates, rolls and the like) of a kind suitable for brakes, for clutches or the like, with a basis of asbestos, other mineral substances or of cellulose, whether or not combined with textile or other materials	10%
68.15	Worked mica and articles of mica including bonded mica splittings on a support of paper or fabric (for example, micanite and mica-folium)	5%
68.16	Articles of stone or of other mineral substances (including articles of peat), not elsewhere specified or included	5%
69.04	Building bricks (including flooring blocks, support or filler tiles and the like)	5%
69.05	Roofing, tiles, chimney-pots, cowls, chimney-liners, and other constructional goods, including architectural ornaments	5%
69.06	Piping, conduits and guttering (including angles, bends and similar fittings)	5%
69.07	Unglazed setts, flags and paving, hearth and wall tiles	5%
69.08	Glazed setts, flags and paving, hearth and wall tiles	5%
69.09	Laboratory, chemical or industrial wares; troughs, tubs and similar receptacles of a kind used in agriculture; pots, jars and similar articles of a kind commonly used for the conveyance or packing of goods	5%
69.10	Sinks, wash basins, bidets, water closet pans, urinals, baths and like sanitary fixtures	5%
69.11	Tableware and other articles of a kind commonly used for domestic or toilet purposes, of porcelain or china (including biscuits porcelain and parian)	5%
69.12	Tableware and other articles of a kind commonly used for domestic or toilet purposes, of other kinds of pottery	5%
69.13	Statuettes and other ornaments and articles of personal adornment; articles of furniture	10%
69.14	Other articles of ceramics	5%
70.04	Unworked cast or rolled glass (including flashed or wired glass), whether figured or not, in rectangles	5%
70.05	Unworked drawn or blown glass (including flashed glass), in rectangles	5%
70.06	Cast, rolled, drawn or blown glass (including flashed or wired glass), in rectangles, surface ground or polished, but not further worked	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
70.07	Cast, rolled, drawn or blown glass (including flashed or wired glass) cut to shape other than rectangular shape or bent or otherwise worked (for example, edge worked or engraved), whether or not surface ground or polished; multiple-walled insulating glass; leaded lights and the like	5%
70.08	Safety glass consisting of toughened or laminated glass, shaped or not	5%
70.09	Glass mirrors (including rear-view mirrors), unframed, framed or backed:	
70.09.1	Rear-view mirrors	10%
70.09.9	Other	5%
70.10	Carboys, bottles, jars, pots, tubular containers and similar containers, of glass, of a kind commonly used for the conveyance or packing of goods; stoppers and other closures, of glass	5%
70.12	Glass inners for vacuum flasks or for other vacuum vessels	5%
70.13	Glassware (other than articles falling in heading No. 70.19) of a kind commonly used for table, kitchen, toilet or office purposes, for indoor decoration, or for similar uses	5%
70.14	Illuminating glassware, signalling glassware and optical elements of glass, not optically worked nor of optical glass:	
70.14.1	For road motor vehicles	10%
70.14.9	Other	5%
70.15	Clock and watch glasses and similar glasses (including glass of a kind used for sunglasses but excluding glass suitable for corrective lenses), curved, bent, hollowed and the like; glass spheres and segments of spheres, of a kind used for the manufacture of clock and watch glasses and the like	5%
70.16	Bricks, tiles, slabs, paving blocks, squares and other articles of pressed or moulded glass, of a kind commonly used in building; multi-cellular glass in blocks, slabs, plates, panels and similar forms	5%
70.17	Laboratory, hygienic and pharmaceutical glassware, whether or not graduated or calibrated; glass ampoules	5%
70.19	Glass beads, imitation pearls, imitation precious and semi-precious stones, fragments and chippings, and similar fancy or decorative glass smallwares, and articles of glassware made therefrom; glass cubes and small glass plates, whether or not on a backing, for mosaics and similar decorative purposes; artificial eyes of glass, including those for toys but excluding those for wear by humans; ornaments and other fancy articles of lampworked glass; glass grains (ballotini)	10%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
Ex. 70.20	Glass fibre (including wool), yarns, fabrics and articles made therefrom: other than glass fibre	5%
70.21	Other articles of glass	5%
71.01	Pearls, unworked or worked, but not mounted, set or strung (except ungraded pearls temporarily strung for convenience of transport)	15%
Ex. 71.02	Precious and semi-precious stones, unworked, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport): other than industrial diamonds	15%
71.03	Synthetic or reconstructed precious or semi-precious stones, unworked, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport)	15%
71.05	Silver, including silver gilt and platinum-plated silver, unwrought or semi-manufactured	15%
71.06	Rolled silver, unworked or semi-manufactured	15%
Ex. 71.07	Gold, including platinum-plated gold, unwrought or semi-manufactured: other than gold bullion imported by central banks and monetary authorities	15%
71.08	Rolled gold on base metal or silver, unworked or semi-manufactured	15%
71.09	Platinum and other metal of the platinum group, unwrought or semi-manufactured	15%
71.10	Rolled platinum or other platinum group metals, on base metal or precious metal, unworked or semi-manufactured	15%
71.11	Goldsmiths', silversmiths' and jewellers' sweepings, residues, lemelis, and other waste and scrap, of precious metal	15%
71.12	Articles of jewellery and parts thereof, of precious metal or rolled precious metal	15%
71.13	Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or rolled precious metal, other than goods falling within heading No. 71.12	15%
71.14	Other articles of precious metal or rolled precious metal	15%
71.15	Articles consisting of, or incorporating pearls, precious or semi-precious stones (natural, synthetic or reconstructed)	15%
71.16	Imitation jewellery	10%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
73.10	Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel	5%
73.11	Angles, shapes, and sections, of iron or steel; hot-rolled, forged, extruded, cold-formed or cold-finished; sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements	5%
73.12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled	5%
73.13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled	5%
73.14	Iron or steel wire, whether or not coated, but not insulated	5%
73.15	Alloy steel and high carbon steel in the forms mentioned in heading Nos. 73.06 to 73.14	5%
73.17	Tubes and pipes, of cast iron	5%
73.18	Tubes and pipes and blanks therefor, of iron (other than of cast iron) or steel, excluding high-pressure hydro-electric conduits	5%
73.19	High-pressure hydro-electric conduits of steel, whether or not reinforced	5%
73.20	Tube and pipe fittings (for example, joints, elbows, unions and flanges), of iron or steel	5%
73.21	Structures and parts of structures, (for example, hangars and other buildings, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, door and window frames, shutters, balustrades, pillars and columns), of iron or steel; plates, strip, rods, angles, shapes, sections, tubes and the like, prepared for use in structures of iron or steel	5%
73.22	Reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding three hundred litres whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment	5%
73.23	Casks, drums, cans, boxes, and similar containers, of sheet or plate iron or steel, of a description commonly used for the conveyance or packing of goods	5%
73.24	Containers, of iron or steel, for compressed or liquefied gas	5%
73.25	Stranded wire, cables, cordage, ropes, plaited bands, slings and the like, of iron or steel wire, but excluding insulated electric cables	5%
73.26	Barbed iron or steel wire; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of kinds used for fencing, of iron or steel	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
73.27	Guaze, cloth, grill, netting, fencing, reinforcing fabric and similar materials of iron or steel wire; expanded metal, of iron or steel	5%
73.29	Chain and parts thereof, of iron or steel	5%
73.30	Anchors and grapnels and parts thereof, of iron or steel	5%
73.31	Nails, tacks, staples, hook-nails, corrugated nails, spiked cramps, studs, spikes and drawing pins, of iron or steel, whether or not with heads of other materials, but not including such articles with heads of copper	5%
73.32	Bolts and nuts (including bolt ends and screw studs), whether or not threaded or tapped, and screws (including screw hooks and screw rings), of iron or steel; rivets, cotters, cotter-pins, washers and spring washers, of iron or steel	5%
73.33	Needles for hand sewing (including embroidery), hand carpet needles and hand knitting needles, bodkins, crochet hooks, and the like, and embroidery stilettos, of iron or steel	5%
73.34	Pins (excluding hat pins and other ornamental pins and drawing pins), hair pins and curling grips, of iron or steel	5%
73.35	Springs and leaves for springs, of iron or steel:	
73.35.1	For road motor vehicles	10%
73.35.9	Other	5%
73.36	Stoves (including stoves with subsidiary boilers for central heating), ranges cookers, grates, fires and other space heaters, gas rings, plate warmers with burners, wash boilers with grates or other heating elements, and similar equipment, of a kind used for domestic purposes, not electrically operated, and parts thereof, of iron or steel	5%
73.37	Boilers (excluding boilers of heading No. 84.01) and radiators, for central heating, not electrically heated, and parts thereof, of iron or steel; air heaters and hot air distributors (including those which can also distribute cool or conditioned air), not electrically heated, incorporating a motor-driven fan or blower, and parts thereof, of iron or steel	5%
73.38	Articles of a kind commonly used for domestic purposes, sanitary ware for indoor use, and parts of such articles and ware, of iron or steel; iron or steel wool; pot scourers and scouring and polishing pads, gloves and the like, of iron or steel	5%
73.40	Other articles of iron or steel	5%
74.03	Wrought bars, rods, angles, shapes and sections, of copper; copper wire	5%
74.04	Wrought plates, sheets and strip, of copper	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
74.05	Copper foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a thickness (excluding any backing) not exceeding 0.15 mm	5%
74.06	Copper powders and flakes	5%
74.07	Tubes and pipes and blanks therefor, of copper; hollow bars of copper	5%
74.08	Tube and pipe fittings (for example, joints, elbows, sockets and flanges), of copper	5%
74.10	Stranded wire, cables, cordage, ropes, plaited bands and the like, of copper wire, but excluding insulated electric wires and cables	5%
74.11	Gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials (including endless bands), of copper wire; expanded metal, of copper	5%
74.15	Nails, tacks, staples, hook-nails, spiked cramps, studs, spikes and drawing pins, of copper, or of iron or steel with heads of copper; bolts and nuts (including bolt ends and screw studs), whether or not threaded or tapped and screws (including screw hooks and screw rings), of copper; rivets, cotters, cotter-pins, washers and spring washers, of copper	5%
74.16	Springs, of copper	5%
74.17	Cooking and heating apparatus of a kind used for domestic purposes, not electrically operated, and parts thereof, of copper	5%
74.18	Other articles of a kind commonly used for domestic purposes, sanitary ware for indoor use, and parts of such articles and ware, of copper	5%
74.19	Other articles of copper	5%
75.02	Wrought bars, rods, angles, shapes and sections, of nickel; nickel wire	5%
75.03	Wrought plates, sheets and strip, of nickel; nickel foil; nickel powders and flakes	5%
75.04	Tubes and pipes and blanks therefor, of nickel; hollow bars, and tubes and pipe fittings (for example, joints, elbows, sockets and flanges), of nickel	5%
75.05	Electro-plating anodes, of nickel, wrought or unwrought, including those produced by electrolysis	5%
75.06	Other articles of nickel	5%
76.02	Wrought bars, rods, angles, shapes and sections of aluminium; aluminium wire	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
76.03	Wrought plates, sheets and strip, of aluminium	5%
76.04	Aluminium foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a thickness (excluding any backing) not exceeding 0.20 mm	5%
76.05	Aluminium powders and flakes	5%
76.06	Tubes and pipes and blanks therefor, of aluminium; hollow bars of aluminium	5%
76.07	Tube and pipe fittings (for example, joints, elbows, sockets and flanges), of aluminium	5%
76.08	Structures and parts of structures, (for example, hangars and other building, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, door and window frames, balustrades, pillars and columns), of aluminium; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of aluminium	5%
76.09	Reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of aluminium, of a capacity exceeding three hundred litres whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment	5%
76.10	Casks, drums, cans, boxes and similar containers (including rigid and collapsible tubular containers), of aluminium, of a description commonly used for the conveyance or packing of goods	5%
76.11	Containers, of aluminium, for compressed or liquefied gas	5%
76.12	Stranded wire, cables, cordage, ropes, plaited bands and the like, of aluminium wire, but excluding insulated electric wires and cables	5%
76.15	Articles of a kind commonly used for domestic purposes, sanitary ware for indoor use, and parts of such articles and ware, of aluminium	5%
76.16	Other articles of aluminium	5%
77.02	Wrought bars, rods, angles, shapes, and sections, of magnesium; magnesium wire; wrought plates, sheets and strip, of magnesium; magnesium foil; raspings and shavings of uniform size, powders and flakes, of magnesium; tubes and pipes and blanks therefor, of magnesium; hollow bars of magnesium; other articles of magnesium	5%
78.02	Wrought bars, rods, angles, shapes and sections, of lead; lead wire	5%
78.03	Wrought plates, sheets and strip, of lead	5%
78.04	Lead foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a weight (excluding any backing) not exceeding 1,700g/m ² ; lead powders and flakes	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
78.05	Tubes and pipes and blanks therefor, of lead; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets, flanges and S-bends), of lead	5%
78.06	Other articles of lead	5%
79.02	Wrought bars, rods, angles, shapes and sections, of zinc; zinc wire	5%
79.03	Wrought plates, sheets and strip, of zinc, zinc foil; zinc powders and flakes	5%
79.04	Tubes and pipes and blanks therefor, of zinc, hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of zinc	5%
79.06	Other articles of zinc	5%
80.02	Wrought bars, rods, angles, shapes and sections, of tin, tin wire	5%
80.03	Wrought plates, sheets and strip, of tin	5%
80.04	Tin foil (whether of not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a weight (excluding any backing) not exceeding 1 kg/m ² ; in powders and flakes	5%
80.05	Tubes and pipes and blanks therefor, of tin; hollow bars, and the tube and pipe fittings, (for example, joints, elbows, sockets and flanges), of tin	5%
80.06	Other articles of tin	5%
82.02	Saws (non-mechanical) and blades for hand or machine saws (including toothless saw blades)	5%
82.03	Hand tools, the following: pliers (including cutting pliers), pincers, tweezers, tinnmen's snips, bolt croppers and the like; perforating punches; pipe cutters; spanners and wrenches (but not including tap wrenches); files and rasps	5%
82.04	Hand tools, including glaziers' diamonds, not falling within any other heading of this chapter; blow lamps, anvils; vices and clamps, other than accessories for, and parts of, machine tools; portable forges; grinding wheels with frameworks (hand or pedal operated)	5%
82.05	Interchangeable tools for hand tools, for machine tools or for power-operated hand tools (for example, for pressing, stamping, drilling, tapping, threading, boring, broaching, milling, cutting, turning, dressing, morticing or screw driving), including dies for wire drawing, extrusion dies for metal, and rock drilling bits	5%
82.06	Knives and cutting blades, for machine or mechanical appliances	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
82.07	Tool-tips and plates, sticks and the like for tool-tips, unmounted, of sintered metal carbides (for example, carbides of tungsten, molybdenum or vanadium)	5%
82.08	Coffee-mills, mincers, juice-extractors and other mechanical appliances, of a weight not exceeding 10 kg and of a kind used for domestic purposes in the preparation, serving or conditioning of food or drink	5%
82.09	Knives with cutting blades, serrated or not (including pruning knives), other than knives falling within heading No. 82.06, and blades therefor	5%
82.11	Razors and razor blades (including razor blade blanks, whether or not in strips)	5%
82.12	Scissors (including tailors' shears), and blades therefor	5%
82.13	Other articles of cutlery (for example secateurs, hair clippers, butchers' cleavers, paper knives); manicure and chiropody sets and appliances (including nail files)	5%
82.14	Spoons, forks, fish-eaters, butter knives, ladles, and similar kitchen or tableware	5%
82.15	Handles of base metal for articles falling within heading No. 82.09, 82.13 or 82.14	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
83.01	Locks and padlocks (key, combination or electrically operated), and parts thereof, of base metal; frames incorporating locks, for hand bags, trunks or the like, and parts of such frames, of base metal; keys for any of the foregoing articles, of base metal	5%
83.02	Base metal fittings and mountings of a kind suitable for furniture, doors, staircases, windows, blinds, coach work, saddlery, trunks, caskets and the like (including automatic door closers); base metal hat-racks, hat-pegs, rackets and the like	5%
83.03	Safes, strong-boxes, armoured or reinforced strong-rooms, strong-room linings and strong-room doors, and cash and deed boxes and the like, of base metal	5%
83.04	Filing cabinets, racks, sorting boxes, paper trays, paper rests and similar office equipment, of base metal, other than office furniture falling within heading No. 94.03	5%
83.05	Fittings for loose-leaf binders, for files or for stationery books, of base metal; letter clips, paper clips, staples, indexing tags, and similar stationery goods, of base metal	5%
83.06	Statuettes and other ornaments of a kind used indoors, of base metal; photograph, picture and similar frames, of base metal; mirrors of base metal	10%
83.07	Lamps and lighting fittings, of base metal, and parts thereof, of base metal (excluding switches, electric lamp holders, electric lamps for vehicles, electric battery or magneto lamps, and other articles falling within chapter 85 except heading No. 85.22)	5%
83.08	Flexible tubing and piping, of base metal	5%
83.09	Clasps, frames with clasps for hand-bags and the like, buckles, buckle-clasps, hooks, eyes, eyelets and the like, of base metal, of a kind commonly used for clothing, travel goods, hand bags or other textile or leather goods; tubular rivets and bifurcated rivets, of base metal; beads and spangles, of base metal	5%
83.11	Bells and gongs, non-electric, of base metal, and parts thereof, of base metal	5%
83.13	Stoppers, crown corks, bottle caps, capsules, bung covers, seals and plombs, case corner protectors and other packing accessories, of base metal	5%
83.14	Sign-plates, name-plates, numbers, letters and other signs, of base metal	5%
83.15	Wire, rods, tubes, plates, electrodes and similar products, of base metal or of metal carbides, coated or cored with flux material, of a kind used for soldering, brazing, welding or deposition of metal or of metal carbides; wire and rods, of agglomerated base metal powder, used for metal spraying	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
84.06	Internal combustion piston engines	10%
84.07	Hydraulic engines and motor (including water wheels and water turbines)	10%
84.08	Other engines and motors	10%
Ex. 84.10	Pumps (including motor pumps and turbo pumps) for liquids, whether or not fitted with measuring devices; liquid elevators of bucket, chain, screw, band and similar kinds:	
84.10.1	Pumps for road motor vehicles, marine engines and aircraft	10%
84.11	Air pumps, vacuum pumps and air or gas compressors (including motor and turbo pumps and compressors, and free-piston generators for gas turbines); fans, blowers and the like	10%
84.12	Air conditioning machines, self-contained, comprising a motor-driven fan and elements for changing the temperature and humidity of air	15%
84.15	Refrigerators and refrigerating equipment (electrical and other)	10%
Ex. 84.17	Machinery, plant and similar laboratory equipment, whether or not electrically heated, for the treatment of material by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vapourising, condensing or cooling, not being machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electrical:	
84.17.1	Instantaneous or storage water heaters, non-electrical, for domestic use: other than solar heaters	30%
Ex. 84.18	Centrifuges; filtering and purifying machinery and apparatus (other than filter funnels, milk strainers and the like), for liquids or gases:	
84.18.1	Oil and air filters for motor vehicles	10%
84.18.2	Spin driers for domestic use	10%
Ex. 84.19	Machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing, capsuling or labelling bottles, cans, boxes, bags or other containers; other packing or wrapping machinery; machinery for aerating beverages; dish washing machines:	
84.19.1	Dish washing machines for domestic use	15%
84.20	Weighing machinery (excluding balances of a sensitivity of 5 cg or better), including weight-operated counting and checking machines; weighing machine weights of all kinds	5%
Ex. 84.21	Mechanical appliances (whether or not hand operated), for projecting, dispersing or spraying liquids or powders; fire extinguishers (charged or not); spray guns and similar appliances; steam or sand blasting machines and jet projecting machines:	
84.21.3	Syringes, sprays and powder distributors for domestic use	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
84.21.4	Mechanical windscreen washing devices for road motor vehicles	10%
84.21.5	Spray guns and the like	5%
84.21.9	Other	5%
Ex. 84.25	Harvesting and threshing machinery; straw and fodder presses; hay or grass mowers; winnowing and similar cleaning machines for seed, grain or leguminous vegetables and egg-grading and other grading machines for agricultural produce (other than those of a kind used in the bread grain milling industry falling within heading No. 84.29):	
84.25.1	Lawn mowers	15%
Ex. 84.40	Machinery for washing, cleaning, drying, bleaching, dyeing, dressing, finishing or coating textile yarns, fabrics or made-up textile articles (including laundry and dry-cleaning machinery); fabric folding, reeling or cutting machines; machines of a kind used in the manufacture of linoleum or other floor coverings for applying the paste to the base fabric and other support; machines of a type used for printing a repetitive design, repetitive words or overall colour on textiles, leather, wall paper, wrapping paper, linoleum or other materials, and engraved or etched plates, blocks or rollers therefor:	
84.40.1	Ironing machines, drying machines, wringers and mangles for domestic use	10%
84.40.2	Clothes-washing machines for domestic use	10%
84.40.3	Other clothes-washing machines	5%
Ex. 84.40.9	Other:	
84.40.91	Dry-cleaning machines	5%
84.41	Sewing machines; furniture specially designed for sewing machines; sewing machine needles	10%
84.49	Tools for working in the hand, pneumatic or with self-contained non-electric motor	5%
84.50	Gas-operated welding, brazing, cutting and surface tempering appliances	10%
84.51	Typewriters, other than typewriters incorporating calculating mechanisms; cheque-writing machines	10%
84.52	Calculating machines; accounting machines, cash registers, postage-franking machines, ticket-issuing machines and similar machines, incorporating a calculating device	10%
84.53	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data on to data media in coded form and machines for processing such data, not elsewhere specified or included	10%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
84.54	Other office machines (for example, hectograph or stencils duplicating machines, addressing machines, coin sorting machines, coin-counting and wrapping machines, pencil-sharpening machines, perforating and stapling machines)	10%
84.55	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with machines of a kind falling within heading No. 84.51, 84.52, 84.53 and 84.54	10%
84.58	Automatic vending machines (for example, stamp, cigarette, chocolate and food machines) not being games of skill or chance	10%
84.63	Transmission shafts, cranks, bearing housings, plain shaft bearings, gears and gearing (including friction gears and gear-boxes and other variable speed gears), flywheels, pulleys and pulley blocks, clutches and shaft couplings:	
84.63.1	For road motor vehicles, marine engines and aircraft	10%
84.63.9	Other	5%
84.64	Gaskets and similar joints of metal sheeting combined with other material (for example, asbestos, felt and paperboard) or of laminated metal foil; sets or assortments of gaskets and similar joints, dissimilar in composition, for engines, pipes, tubes and the like, put up in pouches, envelopes or similar packings:	
84.64.1	For road motor vehicles, marine engines and aircraft	10%
84.64.9	Other	5%
84.65	Machinery parts, not containing electrical connectors, insulators, coils, contacts or other electrical features and not falling within any other heading in this chapter:	
84.65.1	For road motor vehicles, marine engines and aircraft	10%
84.65.9	Other	5%
85.01	Electrical goods of the following descriptions: generators, motors, converters (rotary or static) transformers, rectifiers and rectifying apparatus, inductors	10%
85.03	Primary cells and primary batteries	10%
85.04	Electric accumulators	10%
85.05	Tools for working in the hand, with self-contained electric motor	10%
85.06	Electro-mechanical domestic appliances, with self-contained electric motor	15%
85.07	Shavers and hairclippers, with self-contained electric motor	10%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
85.08	Electrical starting and ignition equipment for internal combustion engines (including ignition magnetos, magneto-dynamos, ignition coils, starter motors, sparking plugs and glow plugs); generators (dynamos and alternators) and cut-outs for use in conjunction with such engines	10%
85.09	Electrical lighting and signalling equipment and electrical wind-screen wipers, defrosters and demisters, for cycles or motor vehicles	10%
85.10	Portable electric battery and magneto lamps, other than lamps falling within heading No. 85.09	10%
85.12	Electric instantaneous or storage water heaters and immersion heaters; electric soil heating apparatus and electric space heating apparatus; electric hair dressing appliances (for example, hair dryers, hair curlers, curling tong heaters) and electric smoothing irons; electro-thermic domestic appliances; electric heating resistors, other than those of carbon:	
85.12.1	Instantaneous or storage water heaters and immersion heaters	30%
85.12.9	Other	10%
85.14	Microphones and strands therefor; loud speakers; audio-frequency electric amplifiers:	15%
Ex. 85.15	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radio-broadcasting and television transmission and reception apparatus (including receivers incorporating sound recorders or reproducers) and television cameras; radio navigational and apparatus, radar apparatus and radio remote control apparatus:	
85.15.1	Television receivers including receivers incorporating sound recorders or reproducers	10%
85.15.2	Radio broadcast receivers including receivers incorporating sound recorders or reproducers	15%
85.15.3	Parts of the articles falling within subheading No. 85.15.1	10%
85.15.4	Parts of the articles falling within subheading No. 85.15.2	15%
Ex. 85.15.9	Other	
85.15.91	Transmitters and transmitter-receivers other than for use by commercial radio and television	15%
85.17	Electric sound or visual signalling apparatus (such as bells, sirens, indicator panels, burglar and fire alarms), other than those of heading No. 85.09 or 85.16	10%
85.18	Electrical capacitors, fixed or variable:	
85.18.1	For road motor vehicles	10%
85.18.9	Other	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
85.19	Electrical apparatus for making and breaking electrical circuits, for the protection of electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, lightning arresters, surge suppressors, plugs, lampholders and junction boxes); resistors, fixed or variable (including potentiometers) other than heating resistors; printed circuits, switch boards (other than telephone switch boards) and control panels:	
85.19.1	For road motor vehicles	10%
85.19.9	Other	5%
85.20	Electric filament lamps and electric discharge lamps (including infra-red and ultra-violet lamps); arc lamps	5%
85.21	Thermionic, cold cathode and photocathode valves and tubes (including vapour or gas filled valves and tubes, cathode-ray tubes, television camera tubes and mercury arc rectifying valves and tubes); photocells; mounted piezo-electric crystals; diodes, transistors and similar semi-conductor devices; light emitting diodes; electronic microcircuits	10%
Ex. 85.22	Electrical appliances and apparatus, having individual functions, not falling within any other heading of this chapter: other than particle accelerators	10%
85.23	Insulated (including enamelled or anodised) electric wire, cable, bars, strip and the like (including co-axial cable), whether or not fitted with connectors	5%
85.24	Carbon brushes, arc-lamp carbons, battery carbons, carbon electrodes and other carbon articles of a kind used for electrical purposes	5%
85.25	Insulators of any material	5%
85.26	Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating material apart from any minor components of metal incorporated during moulding solely for purposes of assembly, but not including insulators falling within heading No. 85.25	5%
85.27	Electrical conduit tubing and joints therefor, of base metal lined with insulating material	5%
85.28	Electrical parts of machinery and apparatus, not being goods falling within any of the preceding headings of this chapter	10%
Ex. 87.01	Tractors (other than those falling within heading No. 87.07), whether or not fitted with power take-offs, winches or pulleys: other than tractors for use in agriculture	10%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
Ex. 87.02	Motor vehicles for the transport of persons, goods or materials (including sports motor vehicles, other than those of heading No. 87.09): other than lorries and trucks of weight unladen exceeding 2 tonnes designed for the carriage or haulage of goods and public service type passenger vehicles with a carrying capacity of more than 20 persons:	
	(i) Where the chargeable value does not exceed \$16 000	20%
	(ii) Where the chargeable value exceeds \$16 000	40%
Ex. 87.03	Special purpose motor lorries and vans (such as breakdown lorries, fire-engines, fire-escapes, road sweeper lorries, snow-ploughs, spraying lorries, crane lorries, searchlight lorries, mobile workshops and mobile radiological units), but not including the motor vehicles of heading No. 87.02:	
87.03.9	Other: (other than fire engines and fire escapes)	10%
87.04	Chassis fitted with engines, for the motor vehicles falling within heading No. 87.01, 87.02 or 87.03	10%
87.05	Bodies (including cabs), for the motor vehicles falling within heading No. 87.01, 87.02 or 87.03	10%
87.06	Parts and accessories for the motor vehicles falling within heading No. 87.01, 87.02 or 87.03	10%
87.09	Motor-cycles, auto-cycles and cycles fitted with an auxiliary motor, with or without side-cars; side-cars of all kinds	10%
87.10	Cycles (including delivery tricycles) not motorised	10%
Ex. 87.12	Parts and accessories of articles falling within heading No. 87.09, 87.10 or 87.11:	
87.12.1	For articles falling within heading No. 87.09	10%
87.12.2	For articles falling within heading No. 87.10	10%
87.13	Baby carriages and parts thereof	10%
87.14	Other vehicles (including trailers), not mechanically propelled, and parts thereof	10%
88.01	Balloons and airships	10%
88.02	Flying machines, gliders and kites; rotochutes	10%
88.03	Parts of goods falling in heading No. 88.01 or 88.02	10%
88.04	Parachutes and parts thereof and accessories thereto	10%
88.05	Catapults and similar aircraft launching gear; ground flying trainers; parts of any of the foregoing articles	10%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
Ex. 89.01	Ships, boats and other vessels not falling within any of the following headings of this chapter:	
Ex. 89.01.9	Other:	
89.01.91	Yachts and other vessels for pleasure or sports	10%
90.01	Lenses, prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked; sheets or plates, of polarising material:	
90.01.1	Lenses, prisms, mirrors and other optical elements, for photographic or cinematographic apparatus including projectors	10%
90.01.9	Other	5%
90.02	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked:	
90.02.1	For photographic or cinematographic apparatus including projectors	10%
90.02.9	Other	5%
90.03	Frames and mountings and parts thereof, for spectacles; pince-nez, lorgnettes, goggles and the like	10%
90.04	Spectacles, pince-nez, lorgnettes, goggles and the like, corrective, protective or other	10%
90.05	Refracting telescopes (monocular and binocular), prismatic or not	10%
90.07	Photographic cameras; photographic flashlight apparatus and flash-bulbs other than discharge lamps of heading No. 85.20	10%
90.08	Cinematographic cameras, projectors, sound recorders and sound reproducers; any combination of these articles	10%
90.09	Image projectors (other than cinematographic projectors); photographic (except cinematographic) enlargers and reducers	10%
90.10	Apparatus and equipment of a kind used in photographic or cinematographic laboratories, not falling within any other heading in this chapter; photo-copying apparatus (whether incorporating an optical system or of the contact type) and thermo-copying apparatus; screens for projectors	10%
90.15	Balances of a sensitivity of 5 cg or better with or without their weights	5%
90.16	Drawing, marking-out and mathematical calculating instruments, drafting machines, pantographs, slide rules, disc calculators and the like; measuring or checking instruments, appliances and machines, not falling within any other heading of this chapter (for example, micrometers, callipers, gauges, measuring rods, balancing machines) profile projectors	10%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
90.17	Medical, dental, surgical and veterinary instruments and appliances (including electro-medical apparatus and ophthalmic instruments)	10%
Ex. 90.27	Revolution counters, production counters, taximeters, mileometers, pedometers and the like, speed indicators (including magnetic speed indicators) and tachometers (other than articles falling within heading No. 90.14); stroboscopes:	
90.27.1	For road motor vehicles, marine craft and aircraft	10%
Ex. 90.29	Parts or accessories suitable for use solely or principally with one or more of the articles falling within heading No. 90.23, 90.24, 90.26, 90.27 or 90.28:	
90.29.1	For road motor vehicles, marine craft and aircraft in relation to heading No. 90.27 .	10%
91.01	Pocket-watches, wrist-watches and other watches, including stop-watches	10%
91.02	Clocks with watch movement (excluding clocks of heading No. 91.03)	10%
91.03	Instrument panel clocks and clocks of a similar type, for vehicles, aircraft or vessels	10%
91.04	Other clocks	10%
91.05	Time of day recording apparatus; apparatus with clock or watch movements (including secondary movement) or with synchronous motor, for measuring, recording or otherwise indicating intervals of time	10%
91.06	Time switches with clock or watch movements (including secondary movement) or with synchronous motor	10%
91.07	Watch movements (including stop-watch movements), assembled	10%
91.08	Clock movements, assembled	10%
91.09	Watch cases and parts of watch cases	10%
91.10	Clock cases and cases of a similar type for other goods of this chapter, and parts thereof	10%
91.11	Other clock and watch parts	10%
92.01	Pianos (including automatic pianos, whether or not with keyboards; harpsichords and other keyboard stringed instruments; harps but not including aeolian harps	15%
92.02	Other string musical instruments	15%
92.03	Pipe and reed organs, including harmoniums and the like	15%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
92.04	Accordions, concertinas and similar musical instruments; mouth organs	15%
92.05	Other wind musical instruments	15%
92.06	Percussion musical instruments (for example, drums, xylophones, cymbals, castanets)	15%
92.07	Electro-magnetic, electrostatic, electronic and similar instruments (for example, pianos, organs, accordions)	15%
92.08	Musical instruments not falling within any other heading of this chapter (for example, fairground organs, mechanical street organs, musical boxes, musical saws); mechanical singing birds, decoy calls and effects of all kinds; mouth-blown sound signalling instruments (for example, whistles and boatswains' pipes)	15%
92.10	Parts and accessories of musical instruments, including perforated music rolls and mechanisms for musical boxes; metronomes, tuning-forks and pitch pipes of all kinds	15%
92.11	Gramophones, dictating machines and other sound recorders or reproducers, including record-players and tape decks, with or without sound-heads; television image and sound recorders or reproducers, magnetic	15%
92.12	Gramophone records and other sound or similar recordings; matrices for the production of records, prepared record blanks, film for mechanical sound recording, prepared tapes, wires, strips and the like articles of a kind commonly used for sound or similar recording:	
92.12.1	Matrices for the production of records	5%
92.12.2	Prepared record blanks	5%
92.12.3	Other prepared media for sound or similar recording	10%
92.12.4	Gramophone records	10%
92.12.9	Other	10%
92.13	Other parts and accessories of apparatus falling within heading No. 92.11	15%
93.02	Revolvers and pistols, being firearms	15%
93.04	Other firearms, including very light pistols, pistols and revolvers for firing blank ammunition only, line-throwing guns and the like	15%
93.05	Arms of other descriptions, including air, spring and similar pistols, rifles and guns	15%
Ex. 93.06	Parts of arms, including gun barrel blanks, but not including parts of side-arms:	

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
93.06.1	For arms falling within heading No. 93.02, 93.04 or 93.05	15%
Ex. 93.07	Bombs, grenades, torpedoes, mines, guided weapons and missiles and similar munitions of war, and parts thereof; ammunition and parts thereof, including cartridge wads, lead shot prepared for ammunition:	
93.07.2	Sporting, hunting or target-shooting ammunition and parts thereof, including bullets and shot	15%
Ex. 93.07.9	Other:	
93.07.91	For arms falling within heading No. 93.02, 93.04 or 93.05	15%
94.01	Chairs and other seats (other than those falling within heading No. 94.02), whether or not convertible into beds, and parts thereof	5%
94.02	Medical, dental, surgical or veterinary furniture (for example, operating tables, hospital beds with mechanical fittings); dentists' and similar chairs with mechanical elevating, rotating or reclining movements; parts of the foregoing articles	5%
94.03	Other furniture and parts thereof	5%
94.04	Mattress supports; articles of bedding or similar furnishings fitted with springs or stuffed or internally fitted with any material or of expanded, foam, or sponge rubber or expanded, foam or sponge artificial plastic material, whether or not covered (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows)	5%
95.05	Worked tortoise-shell, mother of pearl, ivory, bone, horn, coral (natural or agglomerated) and other animal carving material, and articles of these materials	10%
95.08	Worked vegetable or mineral carving material and articles of those materials; moulded or carved articles of wax, of stearin, of natural gums or natural resins (for example, copal or resin) or of modelling pastes, and other moulded or carved articles not elsewhere specified or included; worked, unhardened gelatin (except gelatin falling within heading No. 35.03) and articles of unhardened gelatin	10%
Ex. 96.01	Brooms and brushes, consisting of twigs or other vegetable materials merely bound together and not mounted in a head (for example, besoms and whisks), with or without handles; other brooms and brushes (including brushes of a kind used as parts of machines); prepared knots and tufts for broom or brush making; paint rollers; squeegees (other than roller squeegees) and mops:	
96.01.1	Brooms and brushes, consisting of twigs or other vegetable materials merely bound together and not mounted in a head (for example besoms and whisks), with or without handles	5%
Ex. 96.01.9	Other:	
96.01.92	Paint rollers, paint brushes and artists' brushes	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
96.01.93	Toilet brushes including tooth brushes	5%
96.01.94	Brooms, brushes and mops, for household use	5%
96.01.99	Other	5%
96.05	Powder-puffs and pads for applying cosmetics or toilet preparations, of any material	10%
96.06	Hand sieves and hand riddles, of any material	5%
97.01	Wheeled toys designed to be ridden by children (for example, toy bicycles and tricycles and pedal motor cars); dolls' prams and dolls' push chairs	10%
97.02	Dolls	10%
97.03	Other toys; working models of a kind used for recreational purposes	10%
97.04	Equipment for parlour, table and fun-fair games for adults or children (including billiard tables and pin tables and table-tennis requisites):	
97.04.1	Gaming machines	30%
97.04.9	Other	20%
97.05	Carnival articles; entertainment articles (for example, conjuring tricks and novelty jokes); Christmas trees decorations and similar articles for Christmas festivities (for example, artificial Christmas trees, Christmas stockings, imitation yule logs, nativity scenes and figures therefor)	20%
97.07	Fish-hooks, line fishing rods and tackle; fish landing nets and butterfly nets, decoy "birds", lark mirrors and similar hunting or shooting requisites	10%
97.08	Roundabouts, swings, shooting galleries and other fairground amusements; travelling circuses, travelling menageries and travelling theatres	10%
Ex. 98.01	Buttons and button moulds, studs, cuff-links, and press-fasteners, including snap-fasteners and press studs; blanks and parts of such articles:	
98.01.9	Other (other than button moulds, blanks and parts thereof)	5%
98.02	Slide fasteners and parts thereof	5%
98.03	Fountain pens, stylograph pens and pencils (including ball point pens and pencils) and other pens, pen-holders, pencil-holders and similar holders; propelling pencils and sliding pencils; parts and fittings thereof, other than those falling within heading No. 98.04 or 98.05:	5%

<i>Tariff Heading Number</i>	<i>Description of Goods</i>	<i>Rate of Tax</i>
98.04	Pen nibs and nib points	5%
98.05	Pencils (other than pencils of heading No. 98.03), pencils leads, slate pencils, crayons and pastels, drawing charcoals and writing and drawing chalks; tailors' and billiards chalks	5%
98.06	Slates and boards, with writing or drawing surfaces, whether framed or not	5%
98.07	Date, sealing or numbering stamps, and the like (including devices for printing or embossing labels), designed for operating in the hand; hand operated composing sticks and hand printing sets incorporating such composing sticks	5%
98.08	Typewriter and similar ribbons, whether or not on spools; ink-pads with or without boxes	5%
98.09	Sealing wax (including bottle-sealing wax) in sticks, cakes or similar forms; copying pastes with a basis of gelatin, whether or not on a paper or textile backing	5%
98.10	Mechanical lighters and similar lighters, including chemical and electrical lighters, and parts thereof, excluding flints and wicks	10%
98.11	Smoking pipes, pipe bowls, stems and other parts of smoking pipes (including roughly shaped blocks of wood or root); cigars and cigarette holders and parts thereof	10%
98.12	Combs, hair-slides and the like	5%
98.14	Scent and similar sprays of a kind used for toilet purposes, and mounts and heads therefor	10%
98.15	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof, other than glass inners	5%
	<i>Miscellaneous transactions not classified according to kind</i>	Tax according to contents
	(i) postal packages	
	goods imported as passengers' baggage, not being personal effects	
	Provided that no tax shall be payable in respect of—	
	(a) chargeable goods not exceeding \$200 in value before duty where such goods are subject to the flat rate of duty specified in Part I of the Customs Tariff	
	(b) chargeable goods being such permitted quantities of wines, vermouths, spirits and spirituous beverages and tobacco products described under heading Nos. 22.05, 22.06, 22.09 and 24.02 as are exempt from duty under the Customs Regulations	

Hon. H. B. St. JOHN: Mr. Speaker, Sir, I beg to give notice of the following Resolution:—

Whereas between 1976 and 1979 there has been steady improvement in the economic circumstances of the country, particularly during 1979 when a growth rate of 7% was experienced in real terms;

And whereas the level of employment continues to show encouraging signs of improvement and Government is ever aware of the adverse effect which an overly progressive tax system combined with relatively high rates of inflation during the 1970's has been having on the disposable incomes of tax payers;

And whereas Government recognises the need to take defensive action to protect the balance of payments position because of growing recessionary conditions abroad;

Be it Resolved that this House welcomes the achievement of the Government in successfully managing the economic and financial affairs of the country to be able to cover a sizeable portion of developmental expenditures from current revenue for yet another fiscal year;

And Be It Also Resolved that this House welcomes the restructuring of the tax system to significantly increase disposable incomes by granting a reduction in personal income taxation amounting to \$24.4 million while at the same time minimising the impact of consumption taxes on the cost of living, protecting local industry, employment and the balance of payments position by a comprehensive restructuring of the consumption tax and other indirect taxes;

And Be It Further Resolved that this House approves the Financial Statement and Budgetary Proposals delivered on April 9, 1980.

Hon. H. deB. FORDE: I beg to second that and reserve my right to speak on it.

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, Sir, in accordance with our usual custom, Sir, I beg to move that this Sitting be now suspended until 4.30 p.m. tomorrow. As usual the same arrangements that obtained last year will be obtained and the spokesman for the Opposition will be entitled to reply within the timeframe of the speech of the Hon. Minister of Finance took up.

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.

7.15 p.m.

RESUMPTION

On the resumption:

Mr. SPEAKER: This sitting is now resumed.

Rt. Hon. E. W. BARROW: Mr. Speaker, I will begin from where the Rt. Hon. Minister of Finance, the Rt. Hon. Member for St. Thomas concluded. It is written somewhere, and I do not mean in any way Mr. Speaker to be offensive because it is equally applicable to myself as to any other hon. person who may quote the Holy Book. It is said that the devil may quote the Scriptures for his own uses. When I said that I will begin where the Rt. Hon. Member left off, it is unfortunate that the Rt. Hon. Member quoted two verses from the Book of Ecclesiastes at the Third Chapter ending, I believe and I should not like to misquote him or the preacher as the writer of that Book is known, "A time to plant and a time to pluck up that which is planted." I said it is unfortunate.....

Mr. SPEAKER: I take it that you have just opened the quotation which the devil used.

Rt. Hon. E. W. BARROW: No Sir, not at all Sir.

Mr. SPEAKER: So I take it that you will withdraw the reference to the devil.

Rt. Hon. E. W. BARROW: I said that I am not using it in an offensive way. It could apply to me or to any other person Sir and I intend to quote myself.

Mr. SPEAKER: I agree, but the reference to the devil must be withdrawn.

Rt. Hon. E. W. BARROW: I also intend to quote the Scriptures.

Mr. SPEAKER: The reference to the devil must be withdrawn.

Rt. Hon. E. W. BARROW: That reference is withdrawn Sir. May I go on to quote Sir and I have no intention of withdrawing the words "Myself or the preacher."

In the Third Verse of Ecclesiastes, it goes on, "A time to kill, a time to heal, a time to break-down and a time to build up." I think it would be more appropriate when I listened to the Rt. Hon. Member in his dulcet tones once or twice when he got very political and he dramatised, obviously at those stages, to draw the plaudits carefully rehearsed from his cohorts. Cohorts is a division of 600 men of a Roman Legion, not in any way unparliamentary. A Roman Legion, being a division of

6,000. He did raise his voice but normally, I was very satisfied that the Rt. Hon. Member did read the Budget Speech in very dulcet tones and then, when I remember the Third Verse of Ecclesiastes, I decided at that stage, when I heard the contents of his Budget Speech that the Rt. Hon. Member intended to do what the words of the immortal song says, "Killing us softly with his words".

"A time to kill, a time to heal, a time to break-down and a time to build up, a time to weep and a time to laugh." And in the Seventh Verse, Mr. Speaker, the preacher uses these words "A time to rend and a time to sow, a time to keep silence and a time to speak." It is, Mr. Speaker, my time to speak, that is why I say the devil may quote the Scriptures. The preacher quotes the Scriptures and the devil. If you are now looking at the devil, Sir, the devil is quoting the Scriptures. I do not consider that it is offensive, I see that you are smiling Sir.

Perhaps, if I may describe the Budget in another way, it is a Budget of paper roses, roses that are imitative of the real thing. The art in the 20th Century has produced imitations and facsimile of nature with one remarkable difference. Maybe at some time in the future, we will be able to go into the cinema and experience all the sensations, all the smells and all the deodorants of the different objects that we see on the screen and the manufacturers of paper roses will be able to produce items which have the fragrance and texture of the real thing. As of today, the paper roses we see being peddled on the street corners, although they look good, on close examination, they do not have the same lustre, neither do they have any odour at all and therefore, they fail in the primary purpose that nature intended that they should have, that is, to give a delicate aroma the essence of fragrance to mankind and the essence of life.

The Rt. Hon. Minister of Finance explained that this was the fourth occasion on which he has delivered a Budget Speech. He has delivered the Budget Speech in April each year, soon after the close of the Financial Year on the 31st March. I have always maintained, that unless one is trying to extract the last penny from the taxpayers, that there is no particular merit in introducing Budgetary Proposals with indecent haste at the end of the Financial Year when all you can tell the public and the hon. members of this Hon. House is that you have provisional figures about the performance of the economy and the actual Government spending and Government Revenues for the previous Financial Year. It has been my experience, Sir, no matter how sophisticated a system you may introduce in your accounting procedure, no matter how many experts, and I have never had many of them, I was not fortunate enough to have the Legion, using it in a metaphorical sense of overseas experts from the World Bank, the IMF and so on that the Rt. Hon. Member now has at his disposal. The point is Mr.

Speaker, no matter how many experts' you have, there are certain things that cannot be done within two days of the 31st March. Therefore, all your figures have to be provisional and if you produce provisional figures, you get the kind of inaccuracies which have appeared from time to time, in our provisional figures, during the past three or four years because all of your accounts are in and all you are doing is making estimates. No matter how accurate you try to be in your estimation, the result is that you end up with the kind of situation you have, in some of our financial years, like in the year, I think it was, when your figures were \$100 million.
4.40 p.m.

Let me give you an illustration of what I mean because I have been taken to task frequently by the Rt. Hon. member for St. Thomas when he was Leader of the Opposition for under-estimating revenue. When I was Minister of Finance, and of course he ascribed that to some particular wickedness on my part, financial wickedness in misleading the House as to what I expected to get from the taxpayers of this Island when in truth and in fact I always waited until the out-turn figures for the previous financial year were in before I attempted to make any accurate or attempted to make any forecast of what we would have to impose by way of taxation in order to balance the budget or to go in for some measure of deficit financing.

In the year 1975-76 the estimated revenue was \$196.5 million and the actual revenue was \$203.1 million. That, Sir, was a difference of \$6.6 million or a divergence of 3.4%. The estimated expenditure was \$190.7 million and the actual expenditure was \$184 million, a difference of \$6.3 million or 3.3%. Now in the year 1976-77 there was an estimated revenue of \$182.5 million, the actual revenue was \$216.8 million; there was a difference of \$34.3 million to the good. The difference was then 18.3%. Current expenditure was \$208.9 million but the actual expenditure was \$225 million, making a difference of \$16.2 million or 7.8%. In 1977-78, if I may skip the figures, the difference was \$26.2 million, the difference was 11.6%. Expenditure was \$8.1 million difference or 3%. In 1978-79 the estimated revenue on current account was \$257.9 million, the actual revenue was \$324.5 million and the difference was \$66.6 million. The Government collected \$66.6 million more than they estimated and the difference then was 25.8%, and in expenditure they underspent \$47 million having estimated \$333.1 million and spent \$47 million; so the overall difference was \$103 million on current account, and this was a year in which we had some element of taxation; it was an unprecedented difference. I made a slight mistake; I said it was \$103 million, it is \$114 million. No intention to mislead Your Honour. My arithmetic is not up to Your Honour's standard. The Coleridge-Parry is known to have produced mathematicians.

Now this was in a year, Mr. Speaker, of salaries revision for public employees, and when public employees were being told that they would have to tighten their belts on the eve, so you had a difference of \$113 million to the good, but if you read the presentation of the Estimates and I could read for you the budget speech for that year, but it is not my intention to go through the Budget Speeches for four years but only to deal with the Budget Speech in this particular year. If I refer to anything said in those years, it is only for the purpose of comparison. In the preceding years of 1977 and 1978 you had some taxation, and then you had in that year of 1978-79 an under-estimation of revenue of massive proportions and an over-estimation of Government expenditure on current account also of massive proportions. Now was this due to incompetence? I hardly think so, Sir, because the Government officers in the Ministry of Finance, some of them have been promoted it is true, but very few of them, if any, have been demoted, and most of them as far as I know are still there, and I can give testimony to the competence of the persons who occupy the positions in the Ministry of Finance and Planning. Furthermore, the Ministry of Finance and Planning has been fortified by the infusion of foreign assistants.

In addition to that the Minister himself had the advantage of two reports from the World Bank and the Inter-American Development Bank from which I can quote because I have them right here, giving fairly accurate summaries and forecasts and projections as to the rate of growth of the economy and what could be expected from the performance of various sectors. Even when one allows for normal rates of growth and expansion which according to the Government was then 9% or less, one cannot explain the figures and therefore there must be some other explanation.

The reason why I am concerned is because in this current year we concluded consideration of the Estimates some two to three weeks ago, and we have estimated for a surplus on current account of some \$24 million. During the consideration of the Estimates the Minister of Finance informed you and me, Sir, informed us, I do not know if it filtered through to the members of the general public because the media in this country are highly selective in what they print, as he has complained on so many occasions and I have to defend him all the time.

4.50 p.m.

The Minister of Finance warned that that surplus was no surplus at all. When I say no surplus at all I do not want to misquote him. What he was trying to say, as far as I can gather, was that it was a paper surplus — like paper roses — because this is the year in which he has to deal with the organizations which are largely representative of the workers in the public service; and there will be other inflationary pressures. Again I wish to make it clear that I am not at this stage reading his

speech; I am trying to paraphrase what I understood him to say, so I hope I am not misquoting the hon. member. If the general public did not hear that before, they are hearing it now. Estimated revenue in the financial year which began on the 1st of this month will come to an end at 31st March next, is \$385 million; estimated expenditure is \$371 million, giving you a notional surplus — according to what was presented and approved by the House — of \$24 million. What I find very interesting is this, that if that surplus is wiped out by civil service increases and if the concessions which are being given in this Budget which was delivered yesterday amount to \$24 million — I beg your pardon — the revenue loss on page 70 which is expected to result from the main tax concession that you have announced is \$24.4 million, then we are \$24.4 million in the red and therefore we have \$24 million to make up. So the Minister, although he has given away \$24 million, has decided to raise some taxes and he is getting \$31.8 million. Therefore, we have to look at this exercise with a great deal of care and caution, because the Minister is alleging that he is giving back the surplus but he expects that surplus to be wiped out by the civil service increases. I had a great deal of difficulty myself in trying to analyse this particular gymnastic exercise — you give back \$24.4 million but you are going to give civil servants an increase of \$24 million. But the money has to come from somewhere, so you impose taxes of \$31.8 million. And there is the rub. What we have to do then is to look to see where the taxes are going to come from. Well, there are not coming from big business, that's sure; we would know that. We know that gasoline went up yesterday, so the same civil servants who expect some kind of increase in salary, and deserve it, will be paying more for gasoline. I am not going to complain about betting and gaming taxes, because as far as we are concerned the Minister is entitled to tax them out of existence. To borrow a phrase from, I think, General Westmoreland or somebody like that, they can tax them back to the Stone Age as far as we are concerned. I am not going to complain about the liquor licences, a mere \$100,000, because taxes on liquor and cigarettes are traditional in every country; they are considered items that the human frame would probably be better without, although most of us like to have a little liquor some time and some of us smoke some times. But when you put \$3.1 million on highway and motor vehicles taxes including petroleum tax and taxes on self-drive cars — now the tax on self-drive cars may not hurt a lot of Barbadians but it could cause some damage to the tourist industry and I will examine that a little fuller at a later stage. I am not one of those persons that go about killing the goose that lays the golden eggs and such platitudes, but we know that in Barbados the growth of the Gross Domestic Product is largely due to tourism. Indeed two Budgets ago the hon. Minister of Finance said he was giving some stimulus to tourism by one of the measures he introduced; but certainly in this Budget he has tended to do the opposite, because not only is he putting a tax on

self-driven cars, including mini-mokes — but he is also putting a tax on gasoline which would increase the cost of driving the mini-mokes and any other motor vehicle. And he is putting a tax even on things like the Jolly Roger. Don't you think, Sir, that kind of tax will be passed on to the tourists? He is putting a tax on fishing — it is not a tax on the Jolly Roger, it is a tax on pleasure boat cruises, but the only real pleasure boat cruises we have in Barbados are on the Jolly Roger, and so the man in the street is going to call it the Jolly Roger tax.
5.00 p.m.

I am not against taxing the Jolly Roger. I wish you would tax the proprietors but you cannot discriminate between subject and the subject as we know. I suppose I am going to make a few enemies among the proprietors now when I say that but what I am pointing out Mr. Speaker, is this that when you put taxes on pleasure cruises it is going to make it more expensive for tourists.

The hon. member for Christ Church North Central can tell you that we both live in a region where we are surrounded by hotels. As a matter of fact, I think he knows a lot about the Hotel Industry. A single small room in the oldest part of a hotel close to where he and I live during the winter season was \$115 U.S. That had nothing to do with the Government tax. It had nothing to do with the Service Charge and that was the cheapest room in the Hotel which was not the most expensive hotel in Barbados.

What we have to remember is this that Barbados is not an inevitable destination. It is one of the most remote areas in the Western Hemisphere for a North American visitor and it is certainly apart from the Far East, a remote area for anyone coming from Europe. There are plenty of attractive salubrious holiday resorts closer to the United States and Canada than Barbados and to Europe than Barbados. Therefore we are in competition and we have to remember that. I am speaking as a Barbadian.

I am telling the Hon. Minister of Trade, the Deputy Prime Minister that we are going to get protests from IATA about the airport charges, if you have not had them already, not that you have to pay too much attention to them but the point is that the Minister has probably had these protests already, even on through-put charges. You will be surprised but the International Air Transport Association is going to make representations about that.

Now the point is that this is a Sovereign country, as the Minister would no doubt tell you and I have had a lot of trouble in the past with IATA. I think that they are an International Cartel and I have certain views about them, but the point is that they give you a lot of unfavourable publicity, if you are imposing through-put charges on fuel

at the Airport, if you think that the Airline Service Companies, particularly the Fuel Companies are making a lot of money.

I do not know what statistics were made available to the Hon. Minister of Finance but the point is that Airlines have global Agreements. It is almost impossible for you to tell in Barbados what the profit on refuelling an Aircraft in Barbados is. This is the one point I am going to make but then you have to consider whether the kind of unfavourable publicity you get from people whether it is justified or not, is worth the amount of revenue you expect to collect from the through-put charge at the Airport.

Now, all of this I say in the context that we are giving away \$24 million. I am saying that the people in Barbados deserve a little kind of easing of the pressure on taxes. I agree with that. I am not unrealistic, I am a Barbadian and I am a Barbadian taxpayer. I do not think I got any relief from this Budget as far as I can see, but I am not complaining. I do not make out my own Income Tax so I do not really know. I have not had time to examine the implications of it in that light but I do not think that that is for our consideration in speaking in the debate or maybe that the Rt. Hon. member for St. Thomas will be able to tell me but it does not matter to me because I have not worked out any implications because I do not think that I come within the bracket.

I am not in the \$5,000 bracket and that is known so I do not think I get any relief. I do not think so. I have not had an opportunity to examine it and furthermore, it would not apply to this year of assessment anyhow. It would be this year's income and therefore I am not in a position to judge but since we are distributing largesse and then on the other hand we are collecting revenue one has to be careful that in the collection of revenue we are not being what we like to describe as counter-productive. We are not being counter-productive in that we are involving revenue in a way where instead of achieving the desired object we achieve just the opposite of what we set out to accomplish.

Year after year, Mr. Speaker, the Rt. Hon. member for St. Thomas, the Minister of Finance, interlard his delivery with reference to how his hands are tied because of things that the last Government committed him to. Again, I am paraphrasing and every year that he has put up water rates he has referred to the solemn commitment made by the former Minister of Health to the Inter American Development Bank to increase water rates.

On one occasion, I think it was the first occasion, or it was the occasion on which the water rates for the lowest bracket were raised from \$6 to \$10. The kind of mathematical equation which he delivered was as follows. The former administration increased water rates 400%. He

did not go on to say after 23 or 27 years from \$1.50 to \$6.00, but it was 400% and he was only putting on less than 18% but what was happening was this and it had nothing to do with the commitment to IADB or anything like that.

There was a considerable short fall, as there probably still is between the amount which the Water Works Department is spending on reclaiming water from under the ground and what they collect in revenue and I enjoin the hon. member to do something about the Accounting System in the Water Works Department, because the Accounting system in Water Works Department, as far as I know has not caught up with modern times up to now. I do not know if he has been trying but several people have tried but that is another matter and I think he will probably give me an assurance that something will be done about that.

What was really happening was this that an increase in the water rates was justified. Apart from the Bridgetown Sewerage Project, which some hon. members on that side did not want at all, particularly during the by-elections but that is water under the bridge or down the Emmerton drain so we would not deal with that. We are not dealing with recriminations, Sir. You are in a pleasant mood Sir. From \$1.50 to \$6.00 is 400% but \$1.50 to \$10.00 is 1000%.

5.10 p.m.

If you are going to deal in percentages in one way, you have to deal with percentages in another way but all 400% was from \$1.50 to six dollars after 23 years, our \$4.50 increase was after 23 years and the Hon. Member's four dollar increase which was only 50 cents short of ours, which would have been another 400%, if the rates had been back of the same thing, was after three years.

The people down in Emmerton, since they are near the Sewerage Project, are not concerned with percentages, they were called upon to pay four dollars more after just having been called upon to pay \$4.50 three years before and I did not get a single letter of resentment against the increase for six dollars.

Mr. Speaker, people in Barbados are lucky, in the Bahamas I have had to pay \$2.38 US for a bottle of water. The Hon. Member for Christ Church, the Deputy Prime Minister, knows that. Two dollars and thirty-eight cents US for a bottle of water because there is no drinking water in the hotel. You get your Water Bill with your Tax Bill and the rate is about \$10.00 per 1,000 gallons so water is something that we should not complain about. What I am concerned about is that there are a lot of people who may be living down in St. Andrew who will never benefit from the Bridgetown Sewerage Project, there are people living just in, let us say, Mr Lord's Hill Sir, there are people living in St. Peter

who will still have to dig their own earthen pits, septic tanks and so on at great expense to themselves who are being called upon to underwrite the cost of the Sewerage Scheme.

The former Minister of Health, the Hon. Member for St. Michael South said that some way should be devised in which the users of the Sewerage System, on the basis of the ratable value of their property or something like that, like the big stores in Broad Street who are going to be the chief beneficiaries, and the hotels on the South coast, people like that, who are now dumping their effluent into the beautiful waters of Carlisle Bay, which cost them a lot of money and which is a public nuisance — they are the people who ought to be underwriting the cost of the Sewerage Scheme and the Sewerage Scheme probably should be extended in a linear direction along the low lying areas of this Island, particularly on the West and South Coasts where there are high rise apartments and beautiful beaches which are being polluted day after day by the effluent which is being discharged into the waters along our coast line. I see nothing wrong with that approach.

There was no solemn undertaking which the Hon. Member found himself constrained to observe and to adhere to when he sold the North Point. That went out through the window. We bought the North Point and it was here and we could have earned money but he was finished with that because it was a political frivol. He said yesterday with such a solemn undertaking, "killing me softly with his words, killing all of us softly with his words".

If I may leave water and come on to dry land. Leave the boat users. We have been to the Airport and so on. We come to one other aspect Sir which I would like to refer and it is this, the Appendix. Why deal with taxation in detail? This Appendix to the Budget, Appendix III is 66 type-written pages. The Appendix deals with taxation. I should like to make my position clear so that I be not misunderstood. None of us wished to sit in here until 10 o'clock last night to hear the Rt. Hon. Member go through seriatim each item under the Customs Tariff Act on which he intended to impose or rationalise the Consumption Tax. This is not my criticism. This Appendix is 66 pages. There are 632 items in this Appendix, it may be 2,000, but 632 groups of items because when we speak about paper flowers, bulbs, tubers, tuberous roots, rhizomes, other live plants including trees, shrubs, etc. — that starts the list on page 1. There are 632 items because I counted page by page, I could tell you how many on each page. Some have in a lot of things, sugar, confectionery, chocolate, fruit juices and things like that, whiskies, gin and matters of that kind, liqueurs, food for pets, cigarettes, snuff, cement, etc., you go right through. Believe it or not Sir, we even have natural gas. I was not aware that natural gas was taxed

in Barbados before, but it appears as if we are going to have to pay tax on natural gas now because it is there on page 6. I could understand liquefied butane or propane gas because that is imported. Did that not affect the cost of living? Well, I think so. Natural gas is going to be taxed at five percent and then I remember somewhere or the other in Alice in Wonderland, they said something about the time had come the dwarf said, "to talk of many things" and then it said something about ceiling rats, cabbages and kings. There are ceiling rats up here too, I am looking for cabbages now, kings have gone out of fashion.

5.20 p.m.

I am looking for cabbages now. Kings are out of fashion; all the kings are on that side; they have been free of tax. Shampoo and perfumes, lubricants, you go right through the list. I do not intend to go right through the list, and you will be relieved to hear that, Sir.

I wish to draw your attention, Mr. Speaker, to the incidence of taxation in Barbados. This is not any largesse as some people seem to think. It is far from it. Between 1976 and 1980-81 the amount of tax which has been collected from the inhabitants of Barbados — I am not speaking now of non-tax revenue and special receipts and loans and advances — but if you look at page iii of the Estimates for 1980-81 the Tables are all there, Sir. In 1976-77 the total amount of Government revenue was \$216.8 million and the projected revenue in 1980-81 is \$395 million. In that period, Mr. Speaker, the amount of money collected by way of taxation imposed plus the natural growth which was not equivalent to the rate increase of wages and salaries was \$385 million. In other words, in the four year period if the amount collected has remained static every year, that is the 1977 level, the difference between that and what was actually collected is \$385 million.

Now I heard when I went home last night a very remarkable thing. The propaganda machine is extremely powerful. The first announcement I heard — again they are always misquoting the Prime Minister — was that the Prime Minister was giving them back \$41 million; and he never said so. Always misquoting the hon. member. He said \$24.4 million and they said \$41 million within half an hour of his leaving the place. What he said was that he had given back a total of \$41 million in his tax relief during the period of time, but what I am telling them now, and I hope they say it within half an hour of my sitting down is that he collected \$385 million during the same period and gave them back \$41 million, and I hope that he makes sure they quote me accurately, the same way I like to make sure they quote him accurately. I am not saying that the Prime Minister collected \$385 million in tax. I said that during the period \$385 more in tax was collected. I did all these figures. I have a little computer that even carries a little

melody on it right here, Sir; it will tell me when to sit down and you don't even have to stop me. It has a little alarm. I will lend you sometimes to keep the other hon. members in order. But you get this thing going on all the time, the press misrepresenting the Rt. Hon. Prime Minister saying things that he never said.

Another thing, Sir, as I said before, on the question of the Pay As You Earn, no tax for Christmas. The Prime Minister said that the new tax table takes time to work out. We know that, and as he did last year when you have difficulty in setting up these things on the computer — even computers have to have time to rest and regear and restructure themselves — the Rt. Hon. member for St. Thomas said that in August and September up to I think \$1600, over \$1600 there are so few people with Pay As You Earn that it wouldn't confuse the computer, that he would not collect it then, but he did not say he would not collect it at all. He never said that, and again he is misquoted, and all over the street today people are misquoting, the newspaper misquoting the Prime Minister saying they would not have to pay any tax for two months; but you wait until they fill out their return and don't put down their total income for the year in April next year and see if they don't get a rude letter from the Commissioner of Inland Revenue. How can they expect not to pay tax for August and December? The Prime Minister never promised them that. He did give them relief because he did what Jimmy Carter the President of the United States found impracticable. He knows about that too. He heard that Mr. Carter was going to give a tax credit; that was in fashion, and he preempted the President of the United States and came in here and made his law before Mr. Carter withdraw his words, so then he was stuck with the tax credit which was a good thing for all of us who are qualified, but then Mr. Carter was advised by Mr. Miller and other people that it is inflationary in the United States.

Now I want to say that the tax credit I do not think is inflationary. The Budget as a whole in a pure classical economic sense is an inflationary Budget; the Prime Minister knows in the purely classical sense it is an inflationary Budget and I am not criticising the Prime Minister for that because I think that he has reconciled himself to the prospect that we will have higher inflation in 1980. He knows it; he said it is only 1% as a result of this, but he did not say about all the other things. He said 1%, you remember, as a result of this; you see that is why you must not make the mistake of misquoting the Prime Minister. He didn't say the inflation was going to be 1% more; he said as a result of this; but the inflation is going to be a lot higher. The Budget itself has to be inflationary because when I started out my speech here today if you can glorify it by the name of a speech even coming from the devil, Sir, I pointed out that you have a surplus which is going to be reduced

which is \$24 million which is going to be eliminated by the civil service increases, at least \$24 million plus \$24 million, that is \$48 million back in circulation and you are only collecting \$31 million. It is like printing money. It is like going to the Central Bank and asking the Governor of the Central Bank to buy some Treasury Bills by printing money. In other words, it is inflationary, but I am saying in the strictly classical sense it is inflationary, but the point is that we are in a country where there is still unemployment, the country of Barbados; we are in a country where there is a great deal of liquidity in the banks and we cannot always apply all the classical theories, whether monetary theories or fiscal theories that are related to taxation to the management of the monetary matters in a country such as this. But what we have to do is to be honest about it and know what we are doing and face up to what we are doing and tell the people what we are doing.
5.30 p.m.

Now, Sir, in the Budget Speech of 1978 the hon. Minister of Finance proclaimed that the so-called policy of open Government was instituted with the intention of not only providing full disclosure on Government activities but also to make sure that the disclosure took place early enough to keep public anxiety at a minimum. He went on to say that "the problems which confront us require for their solution the cooperation and goodwill of all sectors of the community and the Government believe this can only be obtained through a fully informed public opinion operating in an atmosphere of calm. Let me start at the end. There is no atmosphere of calm in Barbados today. (*Asides*) I am glad to hear the Government backbenchers say "true". They are going to say however, that somebody else is responsible but I am saying that there is no atmosphere of calm. Let me work back up now — "a fully informed public opinion." A public opinion which believes it is getting things which it is not getting a public opinion which is not aware of the 632 items in the Appendix and the incidence of the Consumption Tax imposed by this Budget, is not a fully informed public opinion, despite all the discussions that goes on in here. The public opinion that is not given accurate reports of the debates in Parliament — I do not mean the kind of things that you have to rule out of order — I am talking about the substantive matters...(*Asides*)

Mr. SPEAKER: I am hearing asides about cane fires.

Rt. Hon. E. W. BARROW: I think you had better rule them out of order.

Mr. SPEAKER: I would not like to.

Rt. Hon. E. W. BARROW: You could put them out; I am not prepared to say whether the cane fires or the speaker. But the public opinion that is not yet fully

informed at the nature of the discussion on public affairs that takes place in the Chambers of Parliament is not a fully informed public opinion. A public opinion that is not aware of the extent of Government's expenditure on capital account which forms part of this debate is not a fully informed public opinion. We talk about balance of payments. This House of Assembly has not discussed the implications of buying armoured cars for £26,000, no part of which is manufactured in Barbados; or a war ship for \$11,000,000, no part of which is manufactured in Barbados; or the need for such devices in a community as small as ours. This House has not discussed, nor has the public been informed of, the need to provide the Governor of the Central Bank with an office costing \$20 million with a auditorium underneath. The Central Bank is adequately housed as far as I am concerned, and you can always rent extra space for the various departments of the Central Bank. You always get pressure from various Government departments to put up offices. Here we had several Ministries before the Barbados Labour Party, some time in 1955 — previous to my administration — when they built the Government Headquarters in Bay Street — all the Ministries were housed here in these public buildings. That was inadequate, so that building was necessary. And then with the expansion of the Cabinet system we built the Treasury building; that building was necessary. With the introduction of National Insurance and the Savings Bank being squeezed into premises right below this Chamber, we erected a building for the National Insurance. That building was necessary for the Government Savings Bank and the National Insurance Office. But the public has not been informed why we should pay \$600,000 to the Barbados Telephone Company for a building they had twice put up for option and did not get a purchaser for at a \$600,000 reserve price; nor was the public informed about what was known as the Commercial Hall in Hincks Street which the Barbados Development Bank has bought and which had been advertised for sale for probably over ten years. This was never discussed in here because it is being bought out of different funds. The Natural Gas Corporation when they were putting up their new headquarters at Wildey offered the Barbados National Bank accommodation for a branch in their new building and the bank said they did not need it. But shortly after we saw a carousel going up immediately outside that building and obscuring the view of the inhabitants of the Natural Gas Corporation. When I enquired for whom that edifice was being constructed, — a very expensive method of construction — I was told it was for the Barbados National Bank. Is this what the hon. Minister meant when he said that the cooperation and goodwill of all sectors of the community can only be obtained through a fully informed public opinion operating in an atmosphere of calm? I am a taxpayer and I do not see any need for the next ten years for Dr. Blackman — I am sorry, Sir — for the Governor of the Central Bank to have an office for \$20 million or \$2 million or \$200,000.

Mr. SPEAKER: If the hon. member had any intention of calling.....

Rt. Hon. E. W. BARROW: That was an error, Sir. I withdraw the use of the gentleman's name; it was not used in an offensive sense, only descriptive.

Mr. SPEAKER: I would like you to refrain from this mentioning that it was not used in this sense or that sense. The fact that you used it was wrong. You should notify the Speaker...

Rt. Hon. E. W. BARROW: I did not intend, Sir; the rules says "if you intend to". It was a slip Sir.

Mr. SPEAKER: I just want you as an hon. member and as a mature hon. member undoubtedly, to desist from having your mouth open and words jumping out. You are in this hon. institution and you must uphold its dignity at all times.

Rt. Hon. E. W. BARROW: I thank you, Sir. I give an undertaking that we will never build any \$20 million office for the Central Bank. I give an undertaking to the hon. Minister of Education that the place in Two Mile Hill will be restored to its proper use, on which over \$1 million is being spent for a private residence.
5.40 p.m.

I do not see the need for it. The place is in Two Mile Hill. I do not know if I will be offending the Rules of the House if I called somebody's name. I have to be very careful but I am saying that I do not see the need for it. The Minister of Education gave us an undertaking that the money which we were voting was for the purpose for which the building was originally acquired for. He said that and he had no knowledge of it being used for any other purpose and I have no hesitation in saying that that is a question of personal predilection but certainly, Sir, the public was not fully informed since no discussions took place on these matters.

If you intend to do something with public funds you would normally expect that some details should be given or some explanation. Let me give you an example, Sir. In 1979/80, under Head 106, Defence and Security, there was a Note there in the Estimate which said that the amount of money requested of \$3 million plus was required to buy planes, ships, ammunition and matters of that kind. The Head was changed from 106 because of some rationalisation of the way the Estimates were presented. That is 1980/81, this year's Estimates.

When we look now for the same Head, it has disappeared altogether. There was no mention of ships. There was no mention of airplanes, yet I happen to know and it has been admitted that an airplane for \$660,000 has been ordered and a ship for \$11 million was also

ordered and there was no debate or discussion on that and even the Explanatory Note has been removed from the Estimates. Is that what the Minister of Finance means by fully informed public opinion operating in an atmosphere of calm?

If you remove a War Ship from the purview of public debate how do you expect the public to be calm about these matters? The public is getting increasingly concerned about the uneasiness between the two branches of the forces in Barbados and there can be no atmosphere of calm in those circumstances. Yet, they come in here, I mean the Government comes in here and makes all sorts of prophetisms which are entirely different from the actions which they carry out.

During the period of time in which I pointed out, Sir, that the people in this country had paid, for instance, on goods and services \$106 million more during that period because goods and services mean the man in the street because if you look at the same page in this year's Estimates on (iii) and the explanation to (4) — Taxes on Goods and Services — it says that included under this Head are Licences, Excise Duties on Rum, Petroleum, Consumption Tax, Motor Vehicles Tax, Tax on Motor Spirits, Airport Service Charge, Hotel and Restaurant Sales Tax, Airline Service Business Tax and then under (5) "Import and Export Levies" and the amount of money raised. The additional money raised during the period in which we were handed back \$41 million, under that Head alone it was \$57 million.

Now when you give somebody a Tax Credit of \$300, that is provided he is paying \$300 in taxes, if he is not paying \$300 in tax the Tax Credit is something like under \$100 straight. If he is paying less he will get back the equivalent like some businesses when they carry over their losses, the Tax Credit cannot be carried over from year to year.

Now let us assume that a person had an assessable income of \$1,600 or \$2,000 and he has to pay \$300 in tax, or whatever the rates was, so he would get the Tax Credit of \$300. It means that he does not have to pay any tax next year at all and if he had paid some tax in P.A.Y.E., he would have got some kind of refund, but look at what he has spent in the meantime with gasoline being increased relentlessly year after year. That is what the man in the street is concerned about. Look at what he is paying for his cigarettes in the meantime.

Do you think that it has only cost the man in the street \$6 a week during the past 3½ years? Do you think that it has only cost him \$6 more a year to live with the increases on Consumption Tax and now on top of that we are blaming the people in Trinidad and the other places by saying that their Consumption Tax is levied on the import duty and so we are coming into line with

them and putting our Import Tax on the Import Duty as well as the cost, Insurance, freight and Import Duty and then the Consumption Tax of 5% on top of all of that. So if the Import Duty is 33 1/3%, you will then have to pay 5% on the landed cost of the goods including the freight of the Shipping Company and the Insurance of the goods intransigent, plus the cost f.o.b. in England or wherever they came from and then you pay the Consumption Tax on the Import Duty that the Government has already imposed which we never did, and the Trinidadians ought to be ashamed and we ought to be doubly ashamed because the Trinidadians do not need it and if we can give away \$24 million we do not need it either but they do a lot of strange things in Trinidad.

Do you believe that at one time I discussed this with the Minister in Trinidad. Trinidad has a population now of over one million people. The Trinidad Foreign Exchange Reserve must be over \$4 million. At one time, not very long ago I cannot remember the precise year, there were only 3,600 people in Trinidad paying Income Tax. It could not be as far back as 10 years. I think the Hon. Minister of Finance knows about that and he is telling us today that 37,000 Barbadians will be paying Income Tax. Thirty six thousand people of nearly a population of one million people were paying income tax. It seems ridiculous. I think they must have tighten up on the Income Tax System by now.

If they charge a Consumption Tax, the Consumption Tax is a charge on the locally manufactured article as well as the imported article. Now it appears to me that if you are saying that the purpose of imposing the Consumption Tax where you already have a protection in the way of a Tariff against the imported article is to further protect the local manufacturing sector, then they must be very inefficient. Then I would like to examine this argument about protecting the local manufacturing sector and I will examine it a little more closely.

The Government has been allowing importation in this country almost unrestricted importation of garments from countries where the wage rates are considerably lower than in Barbados. Places like Hong Kong and Korea and so on.

5.50 p.m.

They have been allowing imports from Jamaica and Guyana where those countries have imposed embargoes and restrictions against the imports of Barbados' manufacturers. Let us take the garment industry as an example. The garment manufacturers in Barbados have made representations to the Government on more than one occasion as far as I know, about this, showing how in some cases, there has been an abuse of this importation, where people have been importing garments here and re-exporting them to CARICOM

countries. That is a very bad thing. I thought it would only happen in Grenada in the pre-revolutionary days. I know that there were two factories doing nothing else but that in Grenada. There has been representation made about this and at one stage, concessions were made to Guyana when, if we had adopted a firm line with Guyana, the Guyanese would have made some concessions about removing the restrictions against the importation of Barbados manufactured goods.

Under the CARIFTA Agreement, unfortunately, countries are allowed to impose restrictions for Balance of Payments reasons and Jamaica and Guyana, misguided in my opinion, have used this device not to the betterment, but certainly to the detriment, of their CARICOM partners. We have not protested enough. I would not like to say at all. I would not like to employ the term retaliation, but it appears to me that if our working girls here are being put out of work because of competition with imports from other countries, that our solution is not to put on a five percent Consumption Tax against Korean or Hong Kong goods because that is not going to make any difference to the kind of people that we are dealing with. A five percent even against Guyanese is not going to make that kind of difference because the Guyanese Rate Bases are substantially lower than Barbados'. The argument which has been advanced in this respect — I am not saying that the argument is not relevant in some other respects which I cannot see at the moment nor am I saying that it is completely irrelevant, but certainly in this respect, the argument for the imposition of a Consumption Tax to protect the local industry is not one which is going to assist the local manufacturers in resisting the competition from outside and that is the point which I wish to make, but at the same time, it is going to drive up the cost of the other lines of goods which are not manufactured in Barbados because there is a wide range of goods and they are not luxury goods at all. There are few luxury items like perfumes and the average lady in Barbados does not consider perfume a luxury. If Hon. Members on the other side consider that perfume is a luxury, go home and ask some people at home if they think that perfume is a luxury, ask your daughters, they will give you the answer. Shaving lotion is not a luxury.

On the other hand, Mr. Speaker, if I may just select a few items to show that the concessions are elusive. Let us take the construction industry. Concrete stones have gone up from \$60.00 per cubic yard to \$165.00, they have increased by 175%. That affects the cost of building a house. Sand has gone up from two dollars to five dollars. There is no point in talking about percentages. I do not want to discuss this because in order to get a load of sand in Bridgetown, you have to pay a lorry something like one hundred and something dollars, it varies \$105.00, \$110.00 and \$115.00. Cement from \$4.95 per bag to \$9.35, that is 89% in the same

period. Eight inch concrete blocks have gone up from 75 cents each to \$1.04 in the short three and a half years. Six inch blocks from 43 cents to 61 cents. This is inflation. B.R.C., that is the steel which is used for building has gone up from 20 cents per square foot to 56 cents per square foot. Speaking percentages makes it sound exorbitant but it is 180%. When they refer to Consumer Price Index or Cost of Living Index, they speak about percentages and points and that kind of thing so it would be legitimate to speak about percentages here. I do not want to be tedious about it but one must have a common method of comparison and what are we getting in return? A tax credit of six dollars per week for some of the inhabitants of Barbados.

Louvre windows have gone up from \$11.76 to \$20.47, doors from \$35.00 to \$45.00, ceiling boards from 30 cents to 56 cents per square foot, galvanised iron sheeting 26 gauge from seven dollars per sheet to \$15.70 per sheet, one inch nails from \$1.35 per pound to \$1.91 per pound, wash basins from \$54.00 each to \$112.51 each, kitchen sinks from \$95.00 to \$131.98, toilet bowls from \$168.00 to \$309.04.
6.00 p.m.

Emulsion paint from \$20.50 to \$35.44 a gallon; pitch pine from 93 cents a square foot to \$1.77 per square foot; siding board or what the American describe as cardboard from 97 cents a broad foot to \$2.05 or 111% increase. Plywood from \$35 for an 8' x 4' sheet $\frac{1}{4}$ inch thick to \$59 a sheet; half-inch galvanise pipe \$12 a length to \$30.31 or 153%; ceramic tiles from 40 cents a tile to 80 cents a tile or exactly 100%.

Now the interesting thing is this, Mr. Speaker, that at least 20% of those increases which I have enumerated in the cost of housing construction have occurred in the past six to nine months. Tax relief has been given to people who are building two or more houses. We have heard some discussion here concerning tax relief for persons who are living in what they call chattel houses, but again let me get the record straight. A person who lived in a chattel house up to last year and he owned that chattel house and repaired that chattel house was entitled up to last year — the hon. member is telling me I am wrong; he should go and ask the Commissioner of Inland Revenue — to claim deductions because he had to put on the rental value of the house which he was occupying whether the house was built out of wood or built out of stone. I live in a chattel house, so I know. Come down and see it. Yours on the beach is stone and mine is built out of wood; that is a chattel house. Last year what happened was this: that the Minister of Finance in a way very rightly said that the annual rental value was no proper way of assessing an owner-occupier because that when out with the vestry system; you used to pay taxes which were based on the annual rental value and that was now an unrealistic way of assessing the value

of a property in which the owner resided. If the owner did not reside in a property, it was fairly easy to calculate the tax because you can base it on actual income, but with removing that where the owner did not have the burden of adding it on to his assessable income, he lost the benefit which he would have got. The hon. member is now saying that if you live in a chattel house and you repair the chattel house, you can get the repairs off. People living in houses of their own all over Barbados have been entitled. A chattel house is a house built out of wood. Furthermore under our regime assessed hereditaments under \$10,000 were exempted from paying tax altogether. Chattel houses under that amount were exempted from paying tax altogether, but there is no reason at all, there is no justification for exempting a person who lives in a house which is built out of wood for repairs which he has to do to the house if he owns the house than there is for somebody who lives in a small house because the man who lives in a wooden house has greater wear and tear.

If we move now from building and construction and we come on to items of food to show the impact of the rise in consumer prices to the average person in Barbados, during the same period under review 1976 to the present day, rice went up from 41 cents to 51 cents; straw sugar from 34 cents to 48 cents; salt per pound from 15 cents to 25 cents — ordinary salt, not the fancy salt in boxes; onions from 40 cents to 48 cents; flour from 32 cents to 50 cents.

Now when we entered into the contract to build the flour mill, we were assured that the price of flour would be reduced. We were also given the assurance, Mr. Speaker, that it would be of inestimable benefit to the people in the dairy industry and poultry industry because about 28% of the total product flowing through the mill would be in the form of what they call offal, that is the spin off such as pollard and so on, and that would reduce the price of those over the imported article by about three cents a pound. I have seen no manifestation or pronouncements about that at all. No comparison has been given to the public of the price of the imported product compared with the product which is coming out of the flour mill, and I think that the public would like to know what are the benefits of having the flour mill situated in Barbados which is the only rationale of it being here, because the flour doesn't taste any different to me. I am not saying if the flour is bad or good; I cannot tell you the difference between imported flour and locally produced flour. Sometimes you can tell the difference between a fresh egg and a stale egg, but when it comes to flour I cannot tell the difference, therefore there has to be some benefit which is passed on to the consumer either in the form of employment, of taxation revenue, or reduced price or all three or some of them; and therefore the public would like to know what we are deriving from the flour mill here

because it was intended that there should be some benefit to this community in some form, shape or another.

Now powdered milk went up from 74 cents to 88 cents and cooking oil in a 15-oz bottle from \$1.37 to \$1.63; butter in a half pound tin from \$0.67 to \$1.05. These can be checked out in any shop or supermarket. Toilet soap from 35 cents to 65 cents; condensed milk in tins locally produced from 66 cents to 78 cents. I remember the difficulty that the Minister of Agriculture used to have when he came and asked the Cabinet to increase the condensed milk by even one cent a tin when I was in office.

6.10 p.m.

Table Butter from 78 cents to \$1.18; a pound of cheese from \$1.56 to \$2.60; eggs from 20 cents to 30 cents each; a quarter pound package of tea from 51 cents to \$1.55 — that is an increase of 203.9%; A 2-oz jar of coffee from \$1.69 to \$3.80, or 124.85%; a box of matches from eight cents to fifteen cents; macaroni from 39 cents to 49 cents; corned beef \$1.56 to \$3.20 — the one that is supposed to have gone down; detergent from 59 cents to \$1.15; clod beef from \$1.50 to \$3.50; pork from \$1.50 to \$2.50 and \$3.00; mutton from \$1.25 to \$2.40; chicken from \$1.82 to \$2.05; biscuits from 41 cents to 54 cents; sandwich loaf bread from 85 cents to \$1.20; soft drinks from 25 cents to 35 cents; bus fares from 25 cents to 45 cents; ovaltine \$1.60 to \$4.25; Glow Spread margarine from \$1.20 to \$1.80; sardines 38 cents to 68 cents; stout 75 cents to \$1.25; black pepper from 10 cents to 25 cents; salt beef from \$1.50 to \$2.10; salted fish from \$1.50 to \$2.00; Lactogen from \$2.84 to \$4.17; BA feed from \$9.01 to \$12.85; quart bottle of rum from \$4.00 to \$5.25; banks beer from 50 cents to 75 cents and malt from 35 cents to 55 cents, and I could go on; I have a long list here. The purpose for reciting this is a simple one. The disposable income of the man in the street has been increased by these increases every two years or so. The Minister of Finance for those who have had to pay tax has given a tax credit of \$300 which will amount to \$6 a week. What I am trying to demonstrate is that with the increase in the cost of essential commodities, nothing to do with \$21 million, the bill the community will have is to pay to underwrite the cost of what can only be an election budget. Now I am going to say something, and you can quote me. There is only one kind of budget in an election year, and that is an election budget, and I recognize it. So don't be ashamed of introducing an election budget but don't let us be hypocritical about it; let us tell the people the facts, do not kill us softly with your words, tell us where it is going to hit us. It has got to be an election budget because you have to bring an election before the full impact kills us stone cold dead in the market. That is the whole point. When you look at what is given the people, the people of Barbados are very long suffering. I have told this story before in here: A gentleman died in 1950 who name was Jan

Christin Smuts. I do not like to repeat this story. Some time in 1947 I was invited to have dinner with Jan Christin Smuts and I said I was not going. I was told that the Field Marshal had requested that I go and that it was an order. I said I was not going and I refused to go and I was called on the carpet the next morning for refusing to go. When I was asked my reason I said that Field Marshal Smuts had said that black people had the faces of jackasses, and I am no jackass. I do not think Barbadians have the faces of jackasses, I think that they have decided to grin and bear because they have made up their minds. I think we can push people too far and I don't think we should try to fool people with words and statistics. I do not think we are doing what we said we would like to do, that is, take the people into our confidence. If I may quote the hon. Minister again "the goodwill from all sectors of the community can only be obtained through a fully informed public opinion in an atmosphere of calm." There may be a calm before the storm. If you get people to believe that a certain state of affairs exists, you will lull them into a sense of false security; and when they discover it is not so they will not be pleased about it. That is why I think it is my duty to point out that things are not all they seem to be in Barbados. Let me put it this way: We live in a country. I am not a believer in the philosophy of leave things alone and everything will turn out all right; I am a firm believer in planning the economy for the maximum social advantage for all the people of the country. But people want freedom from humbug; they want to be interfered with as little as possible. What do they expect from their political system? They expect a certain amount of security, equality of opportunity; they expect to be able to develop their talents without any interference. But most of all people do not want to be victims of either oppression or of largesse. And I want to come to that. What is largesse? I was astounded one day to read that the Chairman of one of our national institutions, the Barbados Development Bank, was boasting that the Barbados Development Bank was giving out largesse. I looked up the term largesse in the dictionary and the dictionary told me that largesse was free gifts given out with a certain amount of ostentation and show. But I did not know that loans from the Barbados Development Bank were free; I am sure the hon. member for St. Joseph would like to know that. But to suggest that it was given with ostentation was true because any time any small business man went to the Development Bank for a loan, his picture was put in the newspapers and how much they got and so on. Now if I went to a commercial bank in Bridgetown and borrowed money and the next Saturday morning they put my picture in the newspapers stating how much money I had borrowed from the bank, I would report that bank to the head office. But the whole presentation of this Budget has been one of here comes the high and mighty driving down in their chariot distributing largesse left and right, a little \$300 tax credit here, a little \$500 there, distri-

buting largesse to the crowds scrambling at the side of the road for this largesse.

6.20 p.m.

Do you know the last person that did that? I believe it was Louis XVI, just before the guillotine descended, largesse, and the whole atmosphere in Barbados now is that we the poor, we the citizens who are supporting this country, that we are beholden to a small group of people and we have to wait on the largesse and the Chairman of the Development Bank himself. We have to wait on the gifts but we are the people who are supposed to be generating the totality of goods and services that amount to the Gross National Product of this country.

We are the people who are supporting the Government. The Government is not supporting us. The Government is not giving us anything. What I am concerned about is that the Government has been taking so much that we have now fulfilled the prophesy on one of the Ministers on the other side and all are dying of starvation already, every day. Everyday I ask people how are the poor people in Barbados surviving. I really do not understand how the people in Barbados are surviving and this is not political. This is a matter of concern.

I am seriously concerned because when I get a gasoline bill and every month using less gasoline, driving a smaller car and not a bigger car and getting a bigger gasoline bill — (ASIDES). I am not coming around to what the hon. member thinks I am coming around to. I have to pay more money. I have to be concerned because I am more or less living on a fixed income. What about the man who is living on an income smaller than what is distributed to me as largesse. What is that?

You must sometimes wonder yourself because all of us unless we are in an extra-ordinary privileged position must sometime or another wonder how you are going to adjust your resources in order to keep the wolf from the door or to make ends meet or to keep out of debt. Therefore, any Government has to think when you are collecting \$385 million, not \$385 million in taxes, but \$385 million more from the people, not \$385 million in revenue but \$385 million in taxes and you are only giving back \$41 million, must not look at itself as a provider of all things.

Government is part of this community and therefore we must have a much more realistic approach to the problems of Barbados than the condescension which now exist among Government Benches. We are the real providers, we the taxpayers of Barbados and the man in the street, particularly the man in the lower echelons in the Public Service and people who are living on salaries of under \$200 a month. They are the people, Mr. Speaker, who are feeling the pinch and the people who in the long

run are going to ask how much better off am I because I have not even been restored to the position that I was in before all of this confusion started. You have not done what the legal people describe as *restitutio in integrum*. We have not been restored back to the position in which we were before.

I come now to another concession which the hon. member disclosed yesterday and that is in relation to uniforms for school children. I suppose, Mr. Speaker, when you are trying to get votes, you have to look for formulas which you think are vote catching. After you have had a Democratic Labour Party Administration that has carried out a real programme of social reform in giving the people of this country free Secondary Education and free University Education, providing School Meals for the children of this country, you have to think of something marginal of a like nature, in *consimili casu* or *eiusum generis*. So you come out now and you say well, school uniforms, but let us examine this whole business.

We knew that children were going to school hungry. We knew that children were not going to school because they did not have school fees. We knew that children were not learning because they did not have textbooks because their parents could not afford to buy them but we did not know of a single case of a child that went to school naked. Furthermore, Mr. Speaker, and I hope I can be heard without interruption, all of those children whose parents claimed, and I only say claimed, because we did not carry out any imposition, those who claimed that they did not have money to buy clothes for their children going to Primary School, or elsewhere, were able to go to the National Assistance Board in the one case and also to the local Government Authorities. Two of them were controlled by the Democratic Labour Party, and the Welfare Department and get clothes for those children according to their needs.

In the Manifesto of the Barbados Labour Party those children were promised free uniforms. Now we are told that the children going into Secondary Schools later this year will get a grant to buy uniforms. We have not been told whether the grant is going to cover the cost of shoes and socks and belts and so on; that comes under the description of uniforms, but there obviously has been some clamour for the Government to carry out its pledge, whether it was a foolish pledge or not.

If we claim that we have uplifted the standards of the people in Barbados although I believe in the Welfare State, I believe in the small dressmaker and the small tailor. I believe that if a person does not have the wherewithal to buy uniforms for his children, he should be assisted. I do not think that it should be restricted to persons going into Secondary Schools over the next six or

eight years. I believe it should start in the Primary Schools because that is where the poverty really is.

I want to say something else. It is time that we started some kind of Shoe Industry in Barbados. I would like to see some Shoe Industry started in Barbados. I have been trying to get it started. It was in our Manifesto. We still have children going to school without shoes and I think this is the priority. I just want to say this, let us face facts. If a Government could over-night accomplish all the things that mankind requires, there is no further need for a Government.
6.30 p.m.

There is always some human need to be fulfilled and if we did not succeed in setting up a shoe factory in Barbados, it is because we did not accomplish all the things that the people in Barbados require and I do not think that any Government will ever be able to accomplish all the things that all the people require in Barbados. I just want you to understand that.

Up to now, the Development Plans that are being carried out, whether it is the Sewerage Scheme, the Samuel Jackman Polytechnic or the Community College, all of these are plans which I have here in the 1973 — 1977 Development Plan of the Democratic Labour Party. We do not cut off things at an end. It is a continuous flow.

I said at the beginning of the introduction of the 1973 — 1977 that it is a permanent essay. It does not begin and end with a date. Life is a continuous process. The beginning of creation did not start in 1976 and it is not going to end. Life in Barbados is going to go on and it is not going to go on, thanks to them or anybody else, but thanks to the resilience of the people of Barbados because if the people of Barbados did not have this kind of resilience, they would have been submerged a long time ago. This is what I think and this is what I feel.

Mr. Speaker, there are just one or two things which I would like to point out to the Rt. Hon. Minister. I think that he said in his summary on page 71 that the fees from the new business and exchange control would be six million dollars and I think that he meant \$600,000 — if the Rt. Hon. Minister would look at page 71 — that is a minor correction which I would like to draw to his attention. I do not think that he was aware of it at the time that he actually said this.

I now turn to one other aspect of the Budget and that is in relation to plantation tenancies. It follows from what I was saying before. I was very interested to hear the Rt. Hon. Minister of Finance, the Rt. Hon. Member for St. Thomas saying that he was going to make it possible for tenants of plantation tenancies to own the

spots on which they and their ancestors have lived, and he added the words, and toiled. He went on to say that Legislation has now been drawn to effectuate this pledge and will very shortly be coming before the Hon. House. Under the Scheme, plantation tenants will be allowed to buy the spots on which they reside by means of a very simple form of Conveyance and obtain a full marketable Statutory Title at the minimal cost. The price of the spot will be set by Law at a level per square metre to bring them in the region of \$300.00 to \$500.00 each for the residential portion of the land. I read it deliberately because the Rt. Hon. Minister is saying that the Legislation has been drawn. I am going to be very interested to see that Legislation because I remember well the Deputy Prime Minister coming in here and saying that he is nothing more to do with the lawyers or the surveyors, that he was going to get vested the houses of the tenants of the Housing Authority in them immediately. It is like cold drawn tea, it takes a long time to draw.

Let me understand the position. As I understand it and from my experience, both the sale of houses to tenants on land owned by the Housing Authority and now the National Housing Corporation and the taking over of plantation tenancies, both of those projects were in the Democratic Labour Party Manifesto as far back as 1961. I say that without any apology. I am very interested to hear that in Barbados, after 300 years of plantation tenancies, you can get these house spots vested in the tenants in the twinkling of an eye. There are 4,900 acres of plantation tenancy in Barbados. I have been in nearly every one. Drax Hall alone has 257 acres of plantation tenancy.

I wish to say this in fairness to members of the sugar industry, the people who own the land. I think that they will be glad. If I use a harsh word, it is not derogatory, get rid of the tenancies. I would not like to say at any price because my experience in speaking to them was not that they wanted to get rid of them at any price. The price has to right, but I think that the Government could use a little persuasion. That is not the problem, the problem is not the plantation owners, so do not let us start an imaginary war now against the plantation owners that they do not want to get rid of the tenancies because since we introduced the Security of Tenure Act in 1964 I think it was, they cannot turn the people off, even if they cease to work on the plantation, pending some machinery whereby you could take over the tenancies and vest the land in the tenants. Now, the tenancies are on the worse land agriculturally and from a building point of view in Barbados. Some of the tenancies are down in gullies and some of them are up on hill tops.

If I go to the Constituency of the Hon. Member for St. James, it was the Democratic Labour Party, it was your humble servant who looked at the condition of

his constituents — all of whom, I believe, vote for him in Springhead — it was I who suggested that it would be more economical to take the people from Springhead and bring them down, which I believe has now been accomplished. The Hon. Member is trying to take credit for that. It does not matter to me. I am discussing a principle that I have enunciated in here from time immemorial and you can go and check it out. Springhead was way up, I did not even know that a place like that existed. (ASIDES). Mr. Speaker, will you ask the Hon. Member not to interrupt me. Anyhow, the principle was that you should take — it is more economical to bring the people to the services in many instances, than to carry the services to the people. If you take Drax Hall Plantation which is the largest sugar plantation in Barbados, it is over 1,100 acres, there is Drax Hall Hope, Drax Hall Woods, Drax Hall Jump and Drax Hall proper. 6.40 p.m.

Then you have Greens, Roach Village and all those tenancies that are miles and miles from water services, miles from electricity services. Furthermore when the people were located on these spots, they were not located in any systematic way. Somebody went to the plantation manager and said I would like to move my house on, and the manager would say you can go next door to Mary Lou or Sarah Jane as the case may be or the driver in that section of the plantation. No boundaries were set out, so the houses were put in a very disorderly kind of way and in a manner that it would take months and years to do any proper surveying. If there is one thing that the average Barbadian insists on once he has paid for a piece of land, he wants to know what his rights are and what is his domain, and nobody is going to exercise any eminence over him once he has paid for his spot of land, and this is the problem we have had both in regard to the houses of the National Housing Authority and actually the houses in plantation tenancies. It is not going to be an easy matter. The taking over of the tenancies is one thing, the rents which the people are paying now is not a large amount of rent, but I think that we should go about the whole matter not because it is close to an election year if not actually in one, because there is nothing new about the taking over, the plantations are not against it, this party is for it and initiated it, so we are all *ad idem* on it, but we think that it should be done as a matter of systematic planning, urban and rural development, not merely selling people spots that they are on. We have to look at the whole problem of rural development to see whether it is really in the best interest of keeping these people on these particular spots or to take over portions of land from the plantations as was done in the case of Sion Hill and Springhead and relocated their properties in those respective areas. That is all that I will say on that matter, and I don't think therefore we should hold out to the people the idea that tomorrow they are going to get statutory conveyances when we know that it will not be legally or physically possible to give them statutory con-

veyances tomorrow for the land on which they are living. As far as the ADC land is concerned there should be no problem there because the people at Bawdens were moved into a regular village. If you go in Kendal, St. John you will have no problem because that is already laid out, but there are not many plantations that you can just walk into and hand the people a piece of paper that will satisfy them that they will be rested in their enjoyment of that property. So do not let us hold out promises to people that we found difficult of implementation, and after all we have no surveyors as Ministers. You will have to rely on mobilising the public service the same way that we had to rely on mobilising the public service to carry out these things to bring in outside assistance. Guyana has a lot of surveyors or used to have, I don't know if they have all fled to another country. They are probably in Hamilton, Ontario or somewhere like that, but you may have to get technical assistance from outside, but I am just saying it is not going to be an easy job, and therefore you should not come and say we are going to give them instant statutory titles, you know, like if you can produce instant coffee or instant tea or something of that kind.

Now when we talk about plantation tenancies there is one other thing that come to my mind; in Christ Church we have a tenancy that belongs to the ADC. Unfortunately this tenancy is on extremely valuable land, and I hope that when the Minister said that the ADC is going to turn over their land to the tenants that the only natural lagoon in Barbados that we have is at Worthing, and those people have made a bonanza all these years and they should be very happy about it; it could not be turned over on the same basis. Four and a half acres on Worthing Beach is not Bawdens Village or Drax Hall Jump or Drax Hall Hope; so I just want to issue a word of warning there. There are different economic considerations altogether and I hope the people who live in Worthing are not offended by what I said because I served notice on that a long time ago that they should not consider that they have any exclusive right to the best beach land in Barbados until the end of time or anywhere else.

Mr. Speaker, I come in conclusion to one other aspect, and that is the question of the national debt. I have in front of me the World Bank Report on Barbados in May, 1979, and the World Bank has forecast that the external debt of Barbados on page 5 of the report will be approximately \$344 million by 1983. We used to hear..... (A VOICE: Read what it says.)

Mr. SPEAKER: There must be no cross talk.

Rt. Hon. E. W. BARROW: The hon. member has invited me to read the whole paragraph. I have no objection.

Mr. SPEAKER: Kindly address the Chair.

Rt. Hon. E. W. BARROW: I am addressing you, Sir. This is what is actually said. I think the hon. member ought to wait until I am finished to explain my position. The public debt of Barbados at the moment is over \$400 million. In 1975 the public debt of Barbados was as far as I remember \$202 million. According to the Central Bank Economic and Financial Statistics for February, 1980, the total debt of Barbados in 1975 was \$202.1 million. The total debt in 1976 was \$258.8 million. According to the Central Bank Statistics the 1979 total debt was \$426 million, and I believe that we were told that it is reduced and it is just over \$400 million. In the absence of any other figures I would have to accept that for the time being. The external portion of the debt in 1979 was \$112 million. According to the World Bank in 1983 the external portion of the national debt is going to be \$344 million.

6.50 p.m.

So if we maintain the proportion where the internal portion is roughly 70%, we can see where the internal portion will rise to well over \$600 million, or the total national debt could possibly reach the vicinity of \$900 million. I have not really got this out of the development plan, I am just making extrapolations of my own. I have always maintained that if a country is to develop you have to borrow money. But it is what you do with the money that I am concerned about. The World Bank, the International Bank for Reconstruction and Development, does not feel that if you manage things the right way that an external debt of \$344 million representing about 2.7% of our export earnings for debt servicing would be beyond our competence. Let us take all that for granted; I am not going to indulge in any recriminations at this stage about how I was criticised for borrowing money for guaranteeing infrastructural and other developments in Barbados during the fifteen years I was in office, having a total debt of only \$297 million by the end of 1976. But I am a taxpayer and a Barbadian, and if our money is going to be taken to bolster up the economies of places like Great Britain in buying warships for \$11 million and United States airplanes, no component part of which is manufactured in Barbados, or air conditioned buses for the Defence Force — I saw it the other day and I could not understand why my car could not be taken into the garage; but I found out that they were too busy with the bus. The bus is here — a Mercedes. We can build buses here in Barbados, so all of this money is being frittered away, developing the economies of other countries. I am told that the British Government does not lend money for housing development. We don't want that kind of friend at all. I would like to tell Mrs. Thatcher or the Chancellor of the Exchequer so now, because when Barbados became independent all the British Government gave Barbados was a silver bowl, a rose bowl to put roses or anthuriums in. But when we have money to spend they come and sell us a warship. (*Asides*) For \$1.5 million we bought four coast guard vessels to assist the fishermen and do air/sea rescue. I was told in this House two weeks ago that the reason for chang-

ing these vessels is that in order to fire the guns on the chief one called the Captain Fergusson you had to stop the engine. I had to point out that we did not buy the vessel to shoot down anybody. But when you buy an armoured car for £26,000 all that money goes to the economy of the United Kingdom, and the United Kingdom has not helped Barbados — they have helped us down. If they are really our friend, whether it is Mr. Habib who was interviewed in Washington a few days ago or the Chancellor in Great Britain, why cannot they do like the Canadians and help us with things that will help the economy of Barbados? We do not only want friends who can only supply us with guns and ammunition and war ships; we want friends who will help us build houses for the people of Barbados; we want friends who will help us with our school meals programme, friends who will help us build factories, who will help us provide shoes for school children in Barbados. We do not mind the national debt if it is going into the productive sector of the economy of Barbados. We do not want to be treated like little children, we do not want to be patronized by our own people and given any largesse. We are a productive people and do not want our inheritance to be frittered away.

SUSPENSION OF SITTING

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that this Sitting be now suspended until 8 p.m.

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

7.00 p.m.

On Resumption

Mr. SPEAKER: This Sitting is now resumed.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, yesterday immediately after the conclusion of the speech by the Hon. Prime Minister and Minister of Finance, I moved a Resolution. Today, Sir, in support of that Resolution I will reply to some of the points made by the Hon. Leader of the Opposition and principal spokesman for the Opposition on the Budget.

Obviously, it would not be possible in the time allotted to me to deal with all of the points raised by the Hon. Leader of the Opposition. Other members on this side will deal with such points as are necessary to be dealt with, both in his speech and in the speeches of the other side.

There is one significant thing about the speech of the Hon. Leader of the Opposition. There has been, as a whole, no general criticisms of the strategy and content of the Budget. The hon. member obviously found himself in a great deal of difficulty in having to reply to a Budget

which was reasonable, progressive and which effectuated the objectives of the Barbados Labour Party.

At the outset, though, I think it is necessary for us to clarify a few of the misconceptions which have been contained in his speech. The first one and a very important one, is the one which deals with the question of the amount of money which this Government has extracted by way of taxation since it has been in power.

I have noticed that of late that it is the essential thesis of the Democratic Labour Party to distort the real facts in relation to the current revenue of Barbados and the amount collected in revenue over the course of the last three to three and a half years that we are in power. It is a fact that since 1976/77, 1978/79 and 1979/80 that Government has received by way of revenue some \$382 million incrementally speaking.

I want to point out something, Sir. Nowhere has any of the spokesmen of the Democratic Labour Party pointed out that parallel with the increase incrementally with the amount of revenue collected that there has also been the need to have additional revenue for the purpose of paying for the services which Government provides in Barbados whether those services are performed by people in Barbados or by goods and services from abroad. In short, there has been an increase in additional revenue. There has also been an increase in the cost of providing services of the same level as was in existence in 1976/77.

We have had in addition to that, expanded services by Government and expanded expenditure by Government in the form of contributions to an expanded capital development programme. I believe, Mr. Speaker, that all sides in this House are agreed that in a small country like Barbados it is exceedingly important that Government take the lead in stimulating and creating development expenditure.

We are also agreed, and I well recall on numerous occasions hearing no lesser a spokesman than the hon. member for St. John repeating the need and necessity for us in Barbados to have a surplus on Current Account to ensure that a level of minimum Capital Expenditure takes place by way of development in Barbados.

I would also point out, Sir, that it is misleading to inform the public in Barbados that additional revenue has been derived solely from taxation. The truth of the matter is that the real Gross Domestic Product in Barbados in the three year period 1977, 1978 and 1979 has grown in real terms. We have circulated a document, namely, The Economic Report for 1979 and in that Economic Report it is pointed out very clearly that in the years 1974 and 1975 there was a negative growth period. Far from improving the Gross Domestic Product

reduced in short in those years under the Democratic Labour Party Government, Barbados was in the same position as Jamaica is now.

We had a negative growth rate. We had a Budgetary problem and we were in great difficulty. Sir, in 1974, we had a minus 2.3%. If you look at page 14 of the document that is circulated you will see that the Estimates of the real Gross Domestic Product from 1970-1979...

Mr. SPEAKER: The hon. Minister must state which document he is quoting from for the benefit of other hon. members.

Hon. H. B. St. JOHN: I have already stated that it is the Barbados Economic Report 1979, which was laid on the Table of this House yesterday. On page 14, you will see in 1974 it was .23 minus. In 1975 .29 minus under the Democratic Labour Party. In 1976 it was 4.6 plus. In 1977 it was 2.4 plus. In 1978 4.4 plus and in 1979 it is 6.9 plus.

I have mentioned those figures to illustrate the point that we have been consistently making and a point that significantly enough, the Hon. Leader of the Opposition has omitted from his speech.
8.10 p.m.

The point that we have been consistently making, is a point significantly enough, which the Rt. Hon. Leader of the Opposition has omitted from his speech. I do not expect him to praise us. The truth of the matter is that under our regime, there has been a real growth rate consistently for the three years that we have been in power. Now, Sir, if you have a consistent increase in the underlying economy, without any addition of taxation, taxes will increase but it goes further Sir. We have not only had an increase in the underlying economy, this increase has been translated into the benefits to the general mass of the people in Barbados. One only has to look at the inflation rate, look at the level of wage rises and compare whether wages have risen at a faster rate than the Cost of Living Index. That is also provided Sir, in the same document and I will give this Hon. House the benefit of that result:

In 1977 Sir, the annual average of increase in wages was 15.2%, the inflation rate was 8.4%. In short, wage increases were greater than the inflation rate. In 1978, the percentage annual average of wage rises was 13.9%. The inflation rate was 9.5%. Another gain, in 1979, the inflation rate was 14.3%, the wage increases were 14.3% and the inflation rate was 13.1%.

Mr. SPEAKER: From which page are you reading?

Hon. H. B. St. JOHN: The percentage wage increases was on page 58 and the inflation rates are set out earlier in the document. I will give the Hon. House.....

Mr. SPEAKER: This is for the benefit of the Hansard Reporter.

Hon. H. B. St. JOHN: Sir, page 3 sets out the inflation rates and page 58 sets out the wage increases. In short, we have had a substantial increase in the standard of living of Barbadians in the course of the last three years. Every economic indicator illustrates that. It is no wonder that the Rt. Hon. Leader of the Opposition avoided this aspect of the Budget as though it were the plague. Mr. Speaker, we have also been able, because of the improvement in the underlying sectors of the economy to translate not only an increase in the standard of living for workers, but also to create more employment in Barbados during that period of time. I would have thought Sir, that unemployment being one of the greatest problems facing this economy, that the Rt. Hon. Member, in the course of his speech, would have mentioned the word unemployment. I listened for two hours and forty-four minutes to the Rt. Hon. Member and I noticed that the Rt. Hon. Member avoided that like the plague. I think that the Rt. Hon. Member is proud of the fact that this Government has been able to make a substantial dent in unemployment in the course of the last three years. Sometimes, the Rt. Hon. Member lets out his true character. I believe that he is a patriotic Barbadian, he always says so. I believe that he is happy that Barbados has done better in this respect than many other underdeveloped or developing countries in the world. It also illustrates this point Sir, that that which divides us as Barbadians, is far less than that which unites us as Barbadians. I would not expect Sir, that the Rt. Hon. Member, given the context in which he made his speech, would admit that.

Sir, we also have got to recognise that the Income Tax structure in Barbados was a matter of serious concern to all of us. The Budget made it clear that the question of Income Tax was not a matter that could be dealt with on narrow political consideration. The Budget made it very clear that we have a given level of Expenditure which had to be found and that one had to look at Income Tax deduction in the context of the overall requirements of Expenditure on Current and Capital Account.

There is one disappointment Sir, that I have in the speech of the Rt. Hon. Member. He sought to convey the impression that the Ministry of Finance manipulates figures to trick the Civil Servants and the Unions, that is my disappointment. Both during the Estimates of Expenditure and during the Budget, the Rt. Hon. Minister of Finance was particularly careful to point out that the nominal surplus of 26 million dollars

was arrived at without taking into consideration the claims that had been made by the Civil Service Unions. As a matter of fact, Sir, the Rt. Hon. Minister of Finance made it very clear that it would have been appropriate to have a full debate on wage levels on the floor of the Hon. House, while those negotiations were going on. I do not intend to have that general debate in here. I know, Mr. Speaker, Sir, that as a result of the Tax Concessions that have been granted by this Budget, that the real wages have substantially increased before the negotiations were started. I leave that to the relevant institutions. I am not going to enter into any debate on that. I am not going to seek to correct misrepresentations that have occurred.

With respect to the Press, there is one thing that the Rt. Hon. Leader of the Opposition and I can agree on and that is that we have been in politics long enough to know that once you are a Politician, you are fair game for a Journalist.

8.20 p.m.

I do not and will not adopt the attitude that the hon. member did when he was in Opposition in the period 1951 to 1956 when he abused the Advocate to such an extent that they banned him. I wouldn't adopt that attitude. I think I learnt from the experience of the hon. member then. The position is, Sir, that everybody in Barbados knows that this Government has embarked upon a capital development programme, the financing of which is dependent upon a contribution from our revenue by way of current account surplus to match the contribution from international organisations. This is a fact. Governments nowadays are in no different position from people who buy goods on hire purchase. There is a down payment that Governments have to pay in the form of counterpart contributions. If an individual goes to buy a refrigerator, he has to have a down payment. If a Government goes to borrow money from an international institution the Government has to make a counterpart contribution for local cost. You have to. I do not know of any institution. As a matter of fact, if you know of any such institution, you should go and tell the Prime Minister of Jamaica and he would be very grateful for that advice. The basic position is that since the oil crisis in 1973 and subsequently the one in 1976 and the one in 1979, credit and money for lending to non-oil producing countries has become tighter and tighter and more and more countries are called upon to exercise restraint in their personal consumption in order to be able to carry out development programmes. They are required by all of the international institutions and countries like Barbados are even in a worse position because we have now been categorised as being a country in the upper level of the middle income countries in the world. Do not let us try to fool our populace on this point. If we are to continue the Post Office, if we are to continue with the Oistins Fisheries Project, if we are to continue with

Heywoods, if we are to continue with the rural development programme, if we are to continue with housing, we have got to be able to put up our proportion of the capital contribution that is necessary, and it can only come by receipts from Government revenue.

Mr. Speaker, having laid at rest any thought on the part of or any misconception arising from the speech of the hon. member, I just want to deal in the short time at my disposal with two or three other points. The hon. member quarrels about the Government's attempt to extract revenue from the tourist industry. I want to say that I am the Minister responsible for tourism in this country. I have done a comparative study of all of our competitive destinations and I am satisfied that the suggestions and the taxation levies in the budget will not prevent people from coming to Barbados.

In 1976-77 we changed the 5% tax rate to 8%; it has had no effect. I say, Sir, that anybody who goes to other destinations, particularly European destinations, and that is the fastest growth area, a value added tax is added on all service, not at 8%; in some countries it is as high as 15%. If you go to Belgium and the other countries, and the hon. member for St. Lucy knows this, when you see your bill, you see the basic bill, then you see 15% for service, 15% VAT so I am not worried about that. The point is that the 8% on the services of cruises and hired cars is a tax which people will be accustomed to paying. I am saying, Sir, that the taxes on gasoline and the taxes on diesel are exceedingly reasonable and I know my time is coming to an end, and I will end on this.

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

Hon. H. B. ST. JOHN: It is very remarkable that we have been able in the course of this year to delay the passing on of the price rises which were introduced by OPEC in December last year, and I want to say this: we have been able to do it because we have the totality of petroleum products that are used in Barbados under price control, and because of the fact that we have an indigenous production which is sold at a lesser rate than the world market price. That is the reason why we have been able to do that, and I hope, like I know the other hon. members hope, that the results of the new drilling programme where we will drill six deep wells of not less than 10,000 feet deep, the first of which has started at Woodbourne, will bring further resources to Barbados in this year.

I want to say this, Sir. The hon. member quarrelled about the tax on natural gas. I was present in this House when the hon. member for St. Michael North Central said that we should spend \$22 million to extend natural gas to every house in Barbados, and the Hon. Leader of the Opposition said I would not be supporting that at all be-

cause I do not know whether they have the reserves to extend it to every house in Barbados and I don't know whether you would make a return on the money. The truth of the matter is that we have about seven billion cubic feet of gas in known reserves at the present moment, and we have been advised that the best way of distributing these benefits to the total population in Barbados is to try to get it to the industrial, commercial and Light & Power, and that is our programme. If perchance we discover more than that, then we can think of the expenditure of \$20 million to extend the programme to householders.

Mr. SPEAKER: The hon. member has come to the end of his speech.

Mr. SIMMONS: Mr. Speaker, all over this country for the last two years the supporters of the Democratic Labour Party have been saying that the Barbados Labour Party has done nothing. Mr. Speaker, of course the Democratic Labour Party supporters are easily recognised as loud and boisterous and irrational. I want to examine at the beginning of my speech Sir, this propaganda and by example to expose it as the nonsense and empty mouthings that it is properly categorised as.
8.30 p.m.

The hon. Deputy Prime Minister has already indicated that under the management of this Government the economy of this country has shown steady growth since 1976, culminating in a high of 6.9% real growth last year; and the significance of this is clear — it emphasises that this Government has proven it has in its ranks capable, competent and efficient managers of the economy not only at Government level but at the level of Statutory Boards, because it has always been my belief that one of the reasons for the failure of the Democratic Labour Party was that in the period 1971-76 the performers at the Statutory Boards, the vehicle for the implementation of policy set by the Cabinet, tended to function less than satisfactorily. The same cannot be said of this Government. In addition, the performance of the economy is significant in that it shows that confidence has been established by this Government, as a result of which persons who wish to invest in this country now feel that they are able to do so with some degree of certainty. But all of that would not be possible unless one was fair and honest. And included in any praise of the performance of the economy must be the people themselves — civil servants, the private sector and workers in all sectors of employment in this country, all of whom must have contributed to the real growth which we have seen in the last year.

Mr. Speaker, it must be clearly understood by the general public of this country that insofar as the restructuring of taxation is concerned the Democratic Labour Party can take absolutely no credit for the tax measures that have been introduced during the period October 6,

1976 to yesterday April 9th. I want to make that clear, because it has been a clearly designed strategy on the part of the now absent and invisible shadow Minister of Finance, a new strategy to make calls and pleas for eases in the tax burden. But the public's memory must be refreshed, and I will recount that one of the first measures introduced by this Government in attempting to restructure the economy was the abolition of the sales tax in 1976. That was the first tax we abolished. In 1977, in the Prime Minister's very first budget speech, at page 43 the Prime Minister said these words: "I do not expect them to complain if I have been forced to raise water rates because of a contract signed by one of them. I hope they will not complain at the reduction in the burden of income tax, with more to come....." Presaging what was to happen in 1978, 1979 and yesterday, and the remission of all land tax arrears in 1972. Clearly envisioned in this speech on 15th April, 1977 was that there were tax eases that could be expected by the public of Barbados as a consistent plan over the period of time that we have found ourselves in Government. So they can take absolutely no credit for it.

Mr. Speaker, we all know that in 1977 this prophecy was made. The hon. member for St. Michael South Central, now absent, was then absent from the House — he had not yet got a seat. And if we look through the Report of 1978 you will see a similar thing at page 32, an extension of income tax credit up to \$60 in respect of income year 1977 for all resident tax payers with a gross income of less than \$6,000 per annum. Similarly, last year at page 28. I will not go through all of them, Mr. Speaker, they are matters of record. But the point I wish to establish in the public's memory is that the tax burden which has been eased dramatically yesterday has been an early and consistent pattern of the Government's plan. The abolition of income tax in respect of 30,000 taxpayers is the most significant and revolutionary of all the tax measures to date. It would mean, for example, that many of the young ladies who now work on our industrial estates for \$90 a week or less — and there are thousands of them — will no longer pay income tax; their already meager wages will now mean more to them as a result of yesterday's measures. One can only hope that with this incentive there will be continued and even increased productivity in the industrial sector which will redound to an increase in our exports generally and therefore our export earnings. Higher income earners too will benefit as a result of the adjustment to the tax rate and the income tax bands announced yesterday; therefore there will be something in it for the vast proportion of working people in this country.

But let us not forget Government's social policies in respect of the poorer members of our society, because I think a misconception of some people in Barbados and outside of Barbados needs to be clarified. It is assumed without any real basis in fact that somehow or other the Barbados Labour Party is a middle class, elitist party, and yet consistently this party has done more for the upliftment of the

poorest levels of the society than any other party in this history of Barbados. It started with Sir Grantley Adams and it has been continued by his son and will continue for many years to come.

Mr. Speaker, not only will the worse off in the society benefit as a result of the economic measures announced yesterday, but their social life will in time be enhanced, for example, by the introduction of the plantation tenantry scheme. I understand that that was in the DLP Manifesto in 1961. But, Mr. Speaker, the Moyne Commission in 1937 pointed the way for the take over of plantation tenancies because they recognized the inequities of the plantation system. The New World Group of economists — the hon. member for St. Michael South is nodding in approval, he will know that one of the tenets of the economic theory of the New World Group of economists coming out of the UWI in the 1960's was an attack upon the plantation system. It was in our Manifesto and we have implemented it. If it was in the DLP Manifesto in 1961 and they went out of power in 1976 and could not get it implemented in fifteen years don't blame us if we are better managers and can get it implemented in four.
8.40 p.m.

I welcome the fact, Mr. Speaker, that many of my constituents in St. Philip North in Chappell Tenantry, Sand Belly Tenantry, Harrow Land, Vineyard, Gaskins and Pollard, taking it from Three Houses and River Land, all of those people who have worked on Plantation Lands and lived on them for years will now have the opportunity to own the lands on which they and their forefathers toiled for years and to own the lands, Mr. Speaker, for what? For between \$300 and \$500 and if they cannot afford it — I am now on your best side — the National Bank established by this Party will come to their assistance to enable them to own their land.

Mr. SPEAKER: Which Bank do I understand the hon. member to say?

Mr. SIMMONS: Yes, Sir. Thank you. The Barbados National Bank. I am indeed grateful to Your Honour for my defaulting. Mr. Speaker, there was a vague reference in this thing published by the Democratic Labour Party to house a nation, the General Election, 1976. (ASIDES). Whatever it is, I call it a thing. I do not know what it is, Sir, I call it a thing. The last page, as an afterthought, it says "to encourage the transfer of Plantation Tenantry Lands to existing tenants." It says "to encourage". We are not encouraging it, we are going to do it. Of course, Mr. Speaker, that came out after our Manifesto had been published, less we forget.

Similarly, Mr. Speaker, in terms of our consciousness for the poor classes of the society, we can all hail, as the Hon. Leader of the Opposition was not at all stringent in his remarks or criticisms in respect of the

chattel houses, where as a result of the change in the Land Law which was seen last year, the simplification of Mortgages and Conveyances, it is now the fervent desire of the Government to have the Chattel Mortgage Scheme instituted.

You will remember, Mr. Speaker, that last year in a similar debate I tried to encourage the general public and those who were not familiar with the Mortgage System to try and understand the nuances and the techniques of Mortgage Systems if we are going to make a meaningful thrust towards home ownership by those who are at the moment denied home ownership.

Last year we had the secondary Mortgage market as an insight. Now there is a positive thrust given by the Minister of Finance in respect of people who have wood houses being able to get Mortgages no longer through the NHC. That was a problem which was slow and limited in scope. The quality of life can now be enhanced for 70% of all those who own homes or would like to own homes but dwell in chattel houses in Barbados, Mr. Speaker.

This is not new. It was this Government which in 1977 introduced the system of 90% Mortgages. Do not let us ever forget so let them continue to say that we have done nothing. The facts are there. For the aged, there has been a steady increase in pensions and yesterday the Prime Minister said quite clearly that there will be an increase next year. You talk about open Government. He has told you. Next year in the Budget you can expect an increase for old aged pensioners and you say that this is Election year.

We have repaired more old aged pensioners' homes for the four years that we have been in power than they did in the whole of the 15 years and we have budgeted \$800,000 to assist with the Repair Programme this year. From last year, old aged pensioners could ride free between certain hours on the buses. In that, the Opposition would find something to criticise, Mr. Speaker, giving the poor old pensioners an opportunity to ride free.

The old aged pensioners can have their water rates paid by Government. There has been some criticism on the Democratic Labour Party platform about the Government not taking account of water rates of old aged pensioners. We have been paying them ever since we have been in power but they have not been abreast of what is happening. I will be dealing with what they have been saying on the platforms shortly, Mr. Speaker, because you do not know, Sir.

For a long time during my tenure as Chairman of the National Housing Corporation, Mr. Speaker, there was an item on the Balance Sheet. What Balance Sheet? They did not even have Accounts. They were set up in 1973 and never filed the Report and they never had

proper Accounts. There was an item in respect of arrears of rents chargeable to old aged pensioners. I had a survey done before I left the Housing Authority when I resigned last year in September.

Mr. Ellis who had been the former Manager came back and he conducted or was in charge of the Survey. The analysis was ready at the beginning of this year and it showed that what was written off in this year's Budget was somewhere in the vicinity of \$105,000 to \$106,000 but it had been a burden to the Housing Corporation for years and we had given a pledge that we would do something about it and the Economist in the *Nation* can write what he likes about this. We have done it but we will do all these things in our own good time.

Mr. Speaker, the Hon. Deputy Prime Minister has spoken of the advances made in the area of employment. There can be no serious criticism that unemployment has dropped from 22% or whatever it was in 1976 to 12.8% yesterday, because, Mr. Speaker, I challenge anyone in this Honourable House or outside to compare the conditions for example, in my own constituency in St. Philip North, now, with the conditions obtaining in 1976 when I campaigned for the by-elections.

Mr. Speaker, no longer do you see droves and droves of boys standing around the street corners all day with nothing to do. They are working. Seven thousand five hundred jobs in one year was what this Government was able to achieve last year. This is a feat which needs commendation of this Honourable House without consideration of partisanship because unemployment is potentially one of our gravest social evils.
8.50 p.m.

We should all be thankful that the measures which the Government has introduced to deal with unemployment have appeared to be succeeding and succeeding well.

Mr. Speaker, there is of course, the problem of female unemployment. None of us can be satisfied with the present levels of female unemployment. I know that the Hon. Chairman of the Industrial Development Corporation has plans for extending factory space but it seems to me, that part of the solution to the problem of female unemployment is the building of more factories because you create conditions in which females can work more congenially than, let us say, working on a building site. The Hon. Member for St. Michael South will recall the number of females that we saw in the construction industry in China on our visit last year but we have not yet reached that stage in Barbados. Mr. Speaker, we have heard criticisms of the roads. The Hon. Member for St. Lucy always talks about the condition of roads. What he has failed to identify was that perhaps one of the basic reasons for the serious deterioration in road services last year, was that rainfall recorded in 1979 was 82", the

highest since 1966 when the rainfall recorded was 84.84". I am advised that St. Lucy had even as high as 96" but I am taking the Island's average Sir, from figures supplied to me from a Government Agency.

There is no heavy equipment in use on the roads. You cannot, in the light of these concomitant factors, expect that the condition of the roads would remain at the level which we have become accustomed to in Barbados over the years. What no one has ever said, is that one of the reasons, let us take for example, the bus Transport System. I know that the Hon. Member for St. Lucy will be talking about this at some stage, Sir, I want to anticipate him. The bus Transport System in this country. They say it is not as efficient as it used to be, but they fail to take into account the fact, Mr. Speaker, that if there is increased employment, and more people travelling on the bus daily without the commensurate increase in the rolling stock, the difficulties will become evident. In November last year, the Government moved to counter that situation and we passed \$3,000,000 I think it was, in here. I am appealing to the Government to get the new stock in as soon as possible but in our criticism, I am counselling Hon. Members to be objective.

Mr. Speaker, in respect of Agriculture — I spoke at length on this last year — I just want to make a point about idle lands. If there is going to be a policy for idle lands, the Government must ensure that the back-up tractor service is efficient. There is no point telling me that if you have two acres of land and it must be ploughed and planted that I will do it unless you can make available to me, the tractor to plough my land. I am glad that Hon. Members on the other side see the wisdom in the appeal that I have made to the Government.

Mr. Speaker, I think a lot of ease, as well as, encouragement can be given to potential farmers if the Government would establish kiosks in the bus stands for the selling of seeds and make the availability of seeds easier to potential small farmers. Mr. Speaker, the reason why the Government has been able to do all of those things which I mentioned, which are but some of the many things which we have done during our period of office.

The Opposition first eleven self-appointed and self-styled Eric Sealy and themselves as his second eleven, that is what he calls them, they have been out weekly on platforms and what have they been telling the people? Let us take but one example, in the time allotted to me. In Boscobel, Mr. Speaker, the Hon. Member for St. Michael North Central was encouraging people not to cut canes. He would have his chance to reply if I am wrong. I have in speech here, Mr. Speaker, and that was not the first time that that appeal of nonsense has been made. I ask, how comically silly can the Democratic Labour Party

be, when I recall a photograph of the Rt. Hon. Leader of the Opposition on the front page of the Nation while he was the Rt. Hon. Prime Minister, exhorting the people not to cut canes and he himself was in the cane field with watch on hand. Now, in 1980, when they in 1970, imported 1,200 people here to assist with the cutting of the cane crop, they are about this country nightly, laying aside the national interest and playing the politics of negativism telling people not to cut the canes.

What happened last year? The contribution of sugar to the Gross Domestic Product was \$61.5 million, about an 18% increase over the year before and you are encouraging Barbadians not to recognise their national heritage and do their best for the building of this nation. I call that being irresponsible, Mr. Speaker and I expect that within the next 18 or 19 months....

Mr. SPEAKER: The Hon. Member has four minutes in which to wind up.

Mr. SIMMONS: I am grateful to your Honour for that. I expect that in the next 18 months or whatever it is to the Election, that the Opposition will take a more positive stand. Not once have they announced any positive policy on their nightly campaigns about this country. That is why they are not in a position to criticise today. The Members of their Party criticised the Offshore Banking Legislation. Mr. Speaker, it was the Democratic Labour Party — of which Mr. Frank Walcott was a Member in 1965 — in the Business Companies Exemption from Income Tax Bill — I refer to the Official Record, the Hansard for Tuesday, 13th July, 1965 at page 963 and I quote Mr. Speaker, it says:

"Rt. Hon. E. W. BARROW: Mr. Speaker, the Bill which we now have to consider makes provision for international business companies in the Island to be exempted from Income Tax, in whole, or in part, provided of course, that these companies are not carrying on business in the accepted sense of the term within the Island. Hon. Members may ask why Government should be interested in passing Legislation in favour of corporations or companies which are not trading within the Island.

The purpose of this Bill is to create further employment opportunities for the people of this Island because if we have international business companies with registered accounting for forwarding of bills, proclamations and so on, it will have to be carried on in this Island."

Then later on, he said:

"The popular term by which this is known is off-shore trading. You are actually trading, but not in

the place which the operations are being carried on and which will be Barbados we hope."

He goes on to say:

"The countries which go in for off-shore trading are connected with Barbados in the field of Tourism. These countries are the Bahamas, Bermuda and Jamaica."

They introduced that Legislation, the Parent Legislation for international business companies in 1965 and now Mr. Frank Walcott, so far as I know, still a member of their Party is finagling about it.

Mr. Speaker, the record of this Government is a proud one. I am pleased to have been associated with a Government which has proved to be a Great Combination and in the words of the Mighty Swallow, "Don't stop this Party".

9.00 p.m.

Mr. SPEAKER: We have so far heard the Hon. Leader of the Opposition's reply to the Budget Speech, we have heard two members from the Government benches, and I would like, if there is a member from the Opposition who would like to exercise his right to make a contribution now, to do so. If there is any member of the Opposition who would like to exercise his right to make his contribution, he may do so.

Let us have some order please.

Is there any member from the Opposition who would like to exercise his right now?

Rt. Hon. E. W. BARROW: Mr. Speaker, on a point of order..

Mr. SPEAKER: I have already heard the Leader of the Opposition. He cannot now be heard. There is nothing before the House on which I can hear the Leader of the Opposition. There is no member of the Opposition who wishes to make a contribution. I can only hear a member of the Government who wishes to make a contribution, and then I will ask the Prime Minister to wind up after Government members have made their contributions.

Hon. H. B. St. JOHN: Mr. Speaker, last year we had a procedure established and agreed. In view of the time span that is required by the Rules, after the Prime Minister speaks the Leader of the Opposition is entitled to the same period as the Prime Minister. The Leader of the Opposition was written and informed that the same procedure we had last year, as you were written, would be the procedure for this year. In view of our numbers and their numbers the formula is very simple. The Prime

Minister, however long he speaks for, the Leader of the Opposition is entitled to speak for. On this side we are entitled to two speeches of thirty minutes each. I, notwithstanding the fact that I moved the Resolution, spoke for thirty minutes; the hon. member for St. Philip North spoke for thirty minutes. It is now the turn of the Opposition. They are entitled to thirty minutes. I have had no reply from either you or the Leader of the Opposition in respect of this matter.

I want to make it abundantly clear that as far as the Government is concerned we have played the game exceedingly fair. The Prime Minister spoke, the Leader of the Opposition spoke, I as Leader of the House was content with thirty minutes, the hon. member for St. Philip North had thirty minutes; it is their turn to speak and then we will have two members. If they do not want to abide by the Rules we will wind up the debate.

Mr. SPEAKER: I do not propose calling on the Opposition again. I have already done so, and given them ample opportunity to rise and to exercise their right. If there are no hon. members who want to exercise their right, I can only ask the Prime Minister to wind up the debate.

Rt. Hon. J. M. G. M. ADAMS: Mr. Speaker, I must confess that I had not thought it my turn to speak again so quickly, but I am however aware that the Opposition have had some fears about what they could describe as a political mass meeting in which they have had to contend with speeches from members on this side for an extended period on television, and in the same way that one member of the Opposition has made a lot of specious excuses to leave the country in the face of what might have happened if he had stayed here for this debate, I cannot blame the other hon. members for fleeing the debate although not fleeing the country.

This is a unanimous Budget in at least one way where the reply is concerned. It is the first time I have ever seen a Budget reply in advance in the columns of the press and it is significant that the reply in the columns of the press bear no relationship whatsoever to the, dare I say, Sir, comparatively wise speech of the Leader of the Opposition who in no manner or form criticised any aspect of the Budgetary Proposals. He has therefore left me with a task which is both easy and difficult. It is easy because I do not have to defend my proposals. He has indeed defended some of them more eloquently than I was able to put them, for example, the proposal on water rates; but it is on the other hand hard for me to deal with it because there is very little on which my speech can bite.

To go down the points which were made, Sir, in the speech of the Leader of the Opposition, I am really not aware of this legion of overseas experts from the World

Bank and the IMF who assist in preparing the Budget or the Government's financial projections. I do not know that an expert was inherited and this matter has already been fully canvassed in here. As far as I know it is the same devoted civil servants who assisted the Leader of the Opposition when he was Minister of Finance who have assisted the present Minister of Finance in dealing with financial matters. But I would take him up on one aspect of the work that these devoted assistants have done. This relates to his comments that you cannot have an adequate budget within a couple of days of March 31. I would have to be somewhat technical on this, Mr. Speaker, because it is a point about which I know the Leader of the Opposition feels strongly and has felt for many years, that the out-turn figures should be as accurate as reasonably possible before you undertake analysis of the previous year. However, Sir, the hon. member for St. John, the Rt. Hon. Leader of the Opposition, cannot be aware that since he has left office there has been a great improvement in the efficiency of the devoted servants in the Ministry of Finance because demands are now made of them which they are fully capable of satisfying, but which previously were not identified to them in the particularity which now prevails. Particularly the greatest difficulty that the Government used to have in preparing its financial figures was reconciling overseas payments, particularly payments from the Crown Agents. These are now required to be reconciled monthly, therefore at March 31 a combination of a greater computerisation of the accounts and the fact that all overseas payments for eleven months of the year have already been reconciled, means only March requires one month's reconciliation of overseas figures.

I can state to the hon. member quite definitely that Government revenue domestically and eleven months overseas reconciliation as at March 31 was just a little more than \$364 million. He will find that the estimate of the Economic Report is \$366 million and it is anticipated that the final Crown Agents' reconciliation will bring it to very near \$366 million. It will be between \$355 million and \$366 million.

9.10 p.m.

We have in fact had much better figures than prevailed up to 1976 and this is the reason why it is possible at this time to make Estimates in April that were better than the Estimates that used to be provided in previous years.

The hon. member made points about estimation variations at earlier times. The major point he made was that there was a \$100 million variation in one year. But that was the year when there was a Budget of great severity, because the Government's finances had to be pulled together — that was the 1977 Budget — and undoubtedly there was a lot of taxation and therefore revenue was greater than estimated. Expenditure also

went up because the Government took expenditure in hand and restrained and controlled it, both current and capital, the result being a very substantial turn around in the figures. The hon. member related these figures to the frequent accusation by the National Union of Public Workers. The Barbados Workers Union has more confidence in itself and a greater reliance on the acumen — political and industrial — of its leadership; the accusation by the National Union of Public Workers is that somehow or other the representatives were tricked into coming into certain salary agreement. The Barbados Workers Union was not tricked. The General Secretary of the Barbados Workers Union sits on the National Economic Council of the Government and has access to confidential and secret information on which he can come to his own assessment, and I believe he came to a sound and proper assessment based on the information which has been made available to him in the fullest possible degree. Those in the National Union of Public Workers who think that trade unionism consists in attacking the bad faith of the Civil Service Commission and abusing Ministers of Government and the Governor of the Central Bank are persons who need to go away on a trade union course and be exposed to a little bit of what is good, decent, wise and sensible in trade unionism. If they think they were tricked it is because they do not have enough confidence in their own powers. I have never heard Frank Walcott suggest that he is dealing with people of such miraculous intellect that he is not capable of seeing through treachery if they were trying it on him; it seems to be only a limited number of unions who say that. In due course the Government will be negotiating with the public service and will be negotiating on the basis of what we have come here yesterday and today to talk about, namely, an economy which has grown, an economy in which the Government has realized the sort of surplus on current account that it can reasonably think to be a sound basis for a salary settlement of perhaps a little more generosity than the last salary settlement. We have already given something towards it by way of general income tax concessions and we have prepared a budget which will allow of a salary settlement without destroying the finances of the country as the salary settlement of 1976 undoubtedly did. That was satisfactory to no one; the amounts granted were not agreed to by the union but yet were so substantial as to put the country into very serious financial trouble.

The hon. member, the Rt. hon. Leader of the Opposition, has said that he does not get any relief from this Budget as far as he can see. I do not know if it is true that the hon. member's chattel house in Paradise Gap rents for \$3,000 a week in the winter season. Even if it is only \$2,000 I believe that the hon. member's income must be such as would attract tax relief of approximately \$400 a month. If the hon. member is living on his Parliamentary salary and the salary he is paid by the Demo-

cratic Labour Party, he will still get tax relief of over \$300 a month; so I can set his mind at rest on the idea that there is nothing for him in the Budget.

I cannot comment on anything the hon. member has said about water rates; he has put it much better than I have. He has anticipated the speech of the hon. member for St. Joseph, the Minister of Communications and Works, who has collected comparable tables of the cost of water in other part of the Caribbean – the British Virgin Islands, Bahamas, etc., – showing in some cases that water costs ten times what it costs in Barbados. It is well known that if there is one product that you can sell to a very poor country and make a charge which would be economical, it is water, because one of the characteristics of small developing countries is the lack of water and water is an expensive component of daily life. In Barbados water is still very cheap, even when we have gone to the full economic value as contained in the contract signed.

The hon. member did deliver himself of the words "there was no solemn undertaking." I regret that I have to disagree with him. We had, when we were in Opposition the privilege of seeing a copy of the contract signed by the hon. member for St. Michael South, the then Minister of Health, with the Inter-American Development Bank, agreeing to the increase of water rates. We do not even know how he got that contract. It was delivered to the then hon. member for St. James in the dead of night by an unknown person wearing a rain coat and holding an umbrella so that you could not see his face; but we have no reason to doubt that it was a genuine copy of the original deposited at the Inter-American Development Bank.

The hon. member said that we did not honour the contract with the North Point. That was an interesting and revealing slip. I know we bought the North Point; I was not aware that you had any contract relating to the North Point. I also know that one of the gentlemen who pleaded guilty of selling shells to South Africa came to my office and asked me if the Government would lease him the North Point to ship shells to Belgium. I am saying this now for the first time, and he told me that the previous administration was aware that Space Research Corporation was an arms dealer and that it had supplied arms to Israel and that the hon. member for St. John had been specifically told and had specifically approved the operation. (ASIDES) I hear some hon. members say "shame". But I would not say shame (ASIDES) Well in that case the hon. member is calling his friend Dr. Bull and his friend Colonel Gregory liars; that is all I can say. (I heard the hon. Leader of the Opposition say that who said so is a liar.) I did not sanction the use of the North Point for the transportation of shells to anywhere, otherwise it would be the Government of Barbados that would now be carrying the disgrace of having been involved in

any way with the shipment of arms to South Africa.

9.20 p.m.

The hon. member's slip about not honouring the order for the North Point makes me feel that if the Government had not changed in 1976 the North Point would have carried the shells to South Africa. We would have been deeply, shamefully and disgracefully involved in a feast of stinking International rotten fish. I will come off the North Point now, Sir, though it was mentioned.

The hon. member spoke of the size of the Appendix of the Budget of 66 typewritten pages and 62 groups of Items. I have not counted the groups of Items, Sir. There are 96 Chapters in the Customs Tariff. The Consumption Tax has been applied to something like 67 of them and so it is quite possible that there are 632 groups.

I well remember, and I said in the speech how the Customs Tariff, and that was a lot more than 66 typewritten pages, was brought in here and passed in all its stages one afternoon and that had a lot more than 632 groups of Items but the Items which the hon. member, and I must thank him for counting them because even my officials had not counted them, Sir, mentioned and they do not really support this case of the tax putting a burden on the poor man.

Cigarettes, snuff and Portland Cement were already taxed. There has been no increase in the tax on those. Natural Gas is taxed for the first time to bring it into line with Propane. There are one or two other Bills which have been read, Sir, and therefore we are not going to put the tax on them so it would be about a week before the Natural Gas would actually be taxed but it is being taxed.

He mentioned perfumes and soaps, Sir. Well, there are unfortunate things for him to mention, Sir, because the tax on perfumes has been reduced and so is the tax on toilet soaps. There are in the Schedule but they are in the Schedule in lesser amounts. I cannot put my hand on them at the moment, Sir, but I think perfumes used to be taxed at 20% and it is now taxed at 10%. I do not see the soap at the moment, Sir, but I think that was taxed at 10% and it is now 5%. Perhaps I will turn it up as I go along, Sir.

The hon. member said something about misquotation. The Press, Sir, does misquote things. For example the \$1,600 which I gave as the upper limit of tax relief appeared on one of the broadcast media as the upper limit of income which would not have to pay tax in August and December. Well that is quite untrue. You would not have to pay any tax in August or December, Mr. Speaker. The hon. member for St. John would not

have to pay as long as you pay less than \$1,500. For those of us, the very small number of 250 people who pay more than \$1,600 a month tax, it is only \$1,600 which will be cut off and this leaves me, Sir, to dealing with a remark which the hon. member made broadly speaking to the effect that the tax rebate in August and December is illusory and you will still have to declare the incomes subsequently.

Now this morning somebody came to me to tell me that the hon. member was going to say this. I asked him his source and when he told me his source I said well we are dealing with a very hard debt without much intellectual depth and I do not believe, and the hon. member will forgive me if I call his name, and I said I do not believe that Barrow would say that foolishness when he goes in there this afternoon. Well, the hon. member I must say for him that he merely dropped one sentence which would cast a sufficient doubt in people's mind if they have the sort of minds that are opened to that sort of doubt which will not in fact reflect on the hon. member's acumen and his capacity to grasp a Budgetary Proposal.

The whole point is this. Income Tax is reduced by approximately 30%. Therefore, as I said in the Budget, if you collect all, at the end of the year you would have paid 30% too much. It is a simple mathematical calculation that if you paid the full tax for 7/12th of the year you will only pay 7/12th of 30% too much which is 210/12th and when you divide it you will find therefore, that just under two months tax would have to be rebated. That effectively is the reason for having two months and I do assure hon. members that it is perfectly true that you will have to declare the income in due course when you make the return. You will be declaring it probably for the purpose of getting a small refund over and above the two months. It is not true that we are not collecting the tax from you in August and December and that you will have to pay it at some other time. We are not collecting the tax at all and the convenient way of doing it is by giving it away in August and giving you a tax-free Christmas.

I believe, Mr. Speaker, that even the figure of \$1,600 is a little bit conservative. I think it can be between \$1,700 and \$1,800 but really it is no point because nearly everybody who is paying more than \$1,600 in tax has substantial tax adjustments when he makes a return in due course. Either you will get refunds because you are building a house or you will be paying more because you have other sources of income or whatever.

I am glad that the hon. member has also dealt in a mere cursory way of the fact that it is an inflationary Budget. I therefore do not have to deal with his arguments. Perhaps he is paying lip service to the arguments of a young Economist who wants to appear to

have all the knowledge now coming out of University when commenting on the Budget last night as between somebody who has been Minister of Finance for 15 years and somebody who has been following it and who has been Minister for four years.

I think you can appreciate that while nobody wants inflation at the level that we have suffered in Barbados, that inflationary solutions, the economic problems, broadly speaking, these solutions may yet have a little more validity in Barbados than they could have in the United States. Inflation is a terrible scourge but certainly a steady increase in wages such as can be looked forward to in Barbados and such as has been sustained over the last three years in Barbados, beyond the price inflationary, is, I would not say accepted, it is not an acceptable means of economic development but it can be constrained within our particular type of economy which relies so heavily on imports but I do not wish to go too deeply into economic theory at this stage.

I would like, however, to contradict the hon. member who said what we are doing to get the money to pay the Civil Servants is like printing money. It is not like printing money. It is raising taxation to increase current revenue to pay to the Civil Servants. Printing money is like, well, you could as well print an application to the International Monetary Fund at the same time if you are going to print money to pay the Civil Service and this is not part of the attitude of the Government of Barbados.

The hon. member touched on the Government's Building Programme in respect of the Government offices. The reason why we undertook a number of building projects was basically for the purpose of expanding the economy as well as satisfying the needs of various branches of the Government for better accommodation.

The Central Bank building is intended to be built out of the Central Bank's profits for the next 20 years. The profits will be anticipated and charges 50%. This will be the means of financing the building. It is conceived as a means of maintaining a high level of construction activities in order to keep people employed and to prime the economic pot.

Its economic purposes go beyond those of providing a Headquarters for the Central Bank. The Auditorium to which the hon. member referred is an essential component in the facility which we are providing for CARIFESTA which will be held here next year and it will be there for permanent cultural activity as an addition to the indoor halls which are required by this country as would be known to anybody who has seen how fat Combermere is when cultural activities such as Dance and Drama are presented there.

9.30 p.m.

There is also a need for office space in Bridgetown. The off-shore banking operation is going to put great pressure on existing office space and there is a Committee over which I imagine, the Governor of the Central Bank presides. I asked them to set up a Committee to make recommendations on the amount of office space available for the off-shore operation. It does appear that there will be some pressure in the short term. I believe that already, the Industrial Development Corporation is under pressure to allow some of its existing space to be used basically for office operations, rather than for manufacturing operations.

The Central Bank intends to make available some space in its building. In other words, it is not being built as a Cathedral Square white elephant. It will be built as one of the most beautiful buildings in the Eastern Caribbean and it will also have an economic use and value.

The Hon. Member did not see any need for the use of Ilaro Court as a private residence. Ilaro Court is going to have an apartment, the top is going to be converted into an apartment and downstairs will be converted in, so to speak, state rooms into which the public will be admitted, something which was not the case at a general level, at Culloeden Farm. As far as I am concerned Sir, they can even charge for admission in the same way that admission is charged — I was going to say, as in other stately houses in Barbados. I do not know if the Hon. Member, in saying the zoo, thinks that that is a proper way to describe a Prime Minister's residence. It is entirely up to him. Ilaro Court was bought by the previous Government, I believe, for the sum of \$360,000, in a condition where its roof needed \$100,000 in repairs. Nothing like one million dollars has been, or is intended to be spent on it, but certainly, we would like to make it proof against squatters and intruders, and restore it to some proper use.

The Hon. Member went on to speak of other examples, he said like aeroplanes. He happened to know that an aeroplane for \$660,000 has been ordered because I said so in the Hon. House, not more than three weeks ago. It is not anything that we have concealed. Marshall Hall is going to be bought by the Barbados Development Bank and also turned into an economic asset. It is going to contain offices which will be rented out and to my mind, most dramatically of all, largess or largesse there is no need to sneer at the man who perhaps did not look up the use of the word "largess" before he used it. It is always possible to open a dictionary and find a word which would embarrass others, but indeed often embarrass yourself. Whether it is largess or not, it is planned that the ground floor of Marshall Hall is going to have a large number of shop premises available for the small man who could not previously hope to have premises in central Bridgetown to carry on his business. Artisans, tailors and other persons of that sort will be offered an opportunity, just as the Insurance Corporation of Barbados' building has accommodation for tailors, Artisans and other small businesses like

barber shops. This will be part of the Bridgetown Harbour Scheme and I am satisfied that it will be economical.

I do not believe it is true to suggest that the man in the street has only got six dollars a week more to live on during the past three years. I think that salaries have gone up more than that and I would not dwell on that at any great length but the Hon. Member dealt at enormous length on construction cost.

What the Hon. Member said about construction cost is perfectly true. There have been many increases, not introduced in this Budget, not the ones that he is speaking of, but the Government is placed in a dilemma. I think that for sand to go from two dollars to five dollars; in fact, I understand it has gone to seven dollars per cubic yard or cubic metre or whatever it is, that is excessive. I know at least of one quarry in Barbados where marl is sold at six dollars and seventy-five cents for the same measure that sand is sold for seven dollars for and a tractor has to go down in the quarry to dig out the marl, no tractor has to dig out sand. We have had this problem of whether to introduce price control on locally produced building materials for more than two years now. One does not want to do it Sir because it is a local man and a local operation, but in the case of sand, which is a monopoly product, owned indeed by a non-Barbadian, in the case of sand, there may be a case for price control.

I received a telephone call tonight at Dinner from a sufferer and when I heard that it was seven dollars, the Deputy Prime Minister and I both consider that the time may very well have arrived for knocking a dollar or two off the price of sand. We have had a Geological Survey which has identified sand resources and the Government is looking very seriously at that.

I do not know why the Hon. Member should mention that onions went from 40 cents to 48 cents per pound because there was a time when a gentleman in Bridgetown had the exclusive licence for the import of onions and he was selling onions at 80 cents per pound. We came in and found onions 80 cents per pound and we analysed the cost of the plantations producing onions and set a price for the plantation and a fair mark-up which came to 40 cents, we did not hesitate. It is popular to say that we are in the pockets of the merchants and the plantations but we did not hesitate when the merchants and the plantations were selling onions for twice what they were to sell for, to halve the price. They go from 40 cents to 48 cents according to the season.

Rice went up from 41 cents to 51 cents at one point — the Hon. Member for St. Michael South West — rice was at 54 cents five years ago. Rice is cheaper now than it was five years ago. The Hon. Member cannot deny it, so what is the point of coming in here and saying

that it has gone up from 41 cents to 51 cents. We reduced it and now, the Guyanese have put back on more money. We fight with prices Sir, this is the first time that I was aware that the Rt. Hon. Leader of the Opposition had this interest in prices.

I can talk him down on any price that he comes on, any price that he comes in the House of Assembly and talks about because we sit down in this Government and agonise in the Import Licencing Review Committee and at Cabinet over prices in this country. If we did not agonise, under the impact of the oil price increase, greater than the Hon. Member had to face six years ago, the price of food would not have gone up any 11% last year. It was 40% in 1974 and 20% in 1975.

I know that prices have gone up, but they have not gone up through the Budget. Food prices, the juices which I have spoken of and one or two other prices have come down or should come down as a result of this Budget. If the Hon. Member thinks that food prices — take sweet potatoes, sweet potatoes sold at one time for 70 cents and I had to price control it for 35 cents. The Hon. Member talks about clod beef and how it has gone from \$1.50 to \$3.50. The present price of clod beef was estimated by the Barbados Marketing Corporation for last week at \$2.80. It was never at \$1.50 under the Dems because in those days, you had to have a licence. The licence used to be given out to friends and the friends used to charge a little extra to distribute the beef for what is done now under a free Scheme.

9.40 p.m.

I say as a fact it was never \$1.50 under the Dems; it fell to \$1.50 and under in the year 1977 after it was taken off licence; so the fact that now Australian beef is now admitted to the United States and the price has gone up out of all proportion and we have to pay a lot for it, we can't help it. We are satisfied that there is no undue profiteering by the merchants where the imports of beef and lamb are concerned. We are satisfied about that.

I have here, Sir, provisional figures for the new rates in the retail price index which will be introduced from this month. These are all provisional figures, and I am asked to emphasise it because this document has not got into any kind of circulation yet. Hon. members will see that it is only hand-written. In 1957 Barbadian families were spending on average 57% of their income on food; now they are only spending 44%, and it is one of the best indicators known the world around of prosperity of people when you see the percentage that people have to spend on food declining. You see when you are very poor, nearly all of what you have to spend goes on food. When you get a little more money you may be able to

have 20% left over to spend on other things and so on. That fall from 57% to 44% and the increase in housing so that housing and household operations and supplies now occupy almost a quarter of Barbadian incomes indicate more clearly and dramatically than anything else that Barbadians now have a little spare income to improve their housing conditions, where in 1965 more than half their income, nearly 60% of their income, had to go on food. They are the facts rather than the prejudices and the beliefs uttered by the hon. member.

I will investigate what the hon. member has asked about the flour mill, but what I will counsel the hon. member and all consumers to remember is this: all is not gold that glitters. You may go into the shop and you may think that you are seeing imported flour and local flour, but in fact it is very possible that all the flour is being made at the flour mill. They may be making flour that was previously imported, brands that were previously imported. What I will say, is this, that the local brand I can't remember the name of the brand, Sir, but I have been assured that the local brand is no worse in quality and is a few cents less in price than the brands that used to be imported before but which are now locally made.

The hon. member said something about school uniforms for primary schools. I thank the hon. member; he ought to be in my Cabinet so that he can put his case and put it strongly. I would be glad to accede to it, but as the hon. member went on he answered it better than I could. A Government never has enough money to do all the things that it wants at times. I agree with him that the parents of primary school children should also have a cash grant in due course for uniforms. When the Government can afford it, it will introduce it in the fullness of time.

The plantation tenancies, Sir, I had better deal with them first. The hon. member for St. Philip North has dealt so completely with that that it ought to be unnecessary for me to say anything else. He called the names of the tenancies there, Sir. I had to say it is just as well that my constituents did not see the first draft of the Bill that came to me, because by some fluke they left off the name of a number of tenancies in St. Thomas, they left off Walkes Spring and Clifton Hill and a number of tenancies where I believe that plantation tenants have every bit as good a case as they have in Dunscombe and elsewhere, but that will be corrected before it comes before the House; but to answer the specific points made by the hon. member, the beach tenancies will be excluded. The scheme will be that the First Schedule to the Act will contain a list of all plantation tenancies which will be immediately available for sale. In general, Sir, they virtually all have water and

electricity services at the moment. That is practically complete now. They haven't all got good roads and the Government will be pledging itself to improve the roads. The only places that are left out will be a few where you get houses perched on a rock occupying a few hundred square feet and that sort of thing. They will be left out and plus the three beach tenancies, Six Mens, Bath and the Worthing Beach — the Graeme Hall tenancy. It is not considered appropriate that they should be dealt with. The list is now being revised because the Government owned tenancies haven't been included, but they all do have to be included. The hon. member implied that a check should be made as to whether it is better to settle the tenants on spots or move the tenants. This programme has been already in operation. Many tenancies have been moved out of inaccessible spots, no doubt at Springhead and Sion Hill and the Bill will contain a clause where there will be a procedure to allow the landlord and the Town Planner to appeal against an action to purchase, but this is a very stringent and limited procedure, but the Bill will include a clause indicating that on a successful appeal the tenant will have to be relocated somewhere else where he can buy a spot on the same terms. So that point has also been dealt with. But a very important matter arises and I am therefore very glad for the acquiescence, indeed the welcome by the Opposition of the plantation tenantry scheme. The Bill as at present drawn does state that it is drawn in accordance with the principles of the Constitution, but the hon. member for Christ Church West, the Attorney General, told us only today at Cabinet that he thinks it would be wise to pass it by a two-thirds majority where a certain formula has been used. Another Bill will be coming before the House very soon relating to payments of ex-patriates which apparently it is also necessary to pass using the same procedure, and I very much hope that the support which has been given by the Opposition on this occasion to the plantation tenantry scheme will continue when it reaches the House so that we can pass it unanimously and not have to have a division of any sort to achieve the two-thirds majority. I don't only say I hope, Sir, indeed I expect it.

A very small point again, Sir. The people who had their pictures published when they borrow money from the Barbados Development Bank, I raised this point some time ago and I was informed then and I have no reason to disbelieve that their consent is always obtained before their picture is put in the newspaper. It is a small point but one worth answering.

The final point which the hon. member related to the National Debt, the World Bank projections, our projections. As the World Bank pointed out the debt profile will be better in 1983 than it was in 1976, so I wouldn't go into that. But he spoke about the armoured car for £26,000. The hon. member is remarkably well informed. I didn't know that, Sir, when I said it, and the

ship for \$11 million. I still don't know that figure, Sir, but the point really has to be made that a vessel is required for the Coast Guard because we must have a Coast Guard and the previous Coast Guard vessels have proved unserviceable.
9.50 p.m.

The hon. Deputy Prime Minister complained to me that for a period two weeks ago Barbados was in breach of International Air Transport Regulations because not one coast guard vessel was serviceable and we had no air/sea rescue boats standing by as required before jet aircraft can land at the Grantley Adams International Airport. We have to have a ship; that is the long, middle and short of it. We had to borrow a fishing boat two weeks ago to go and give assistance. Four boats were bought for the coast guard — may be it might have been better than if the hon. member had invested \$5 million, instead of 1½ million, in two good boats rather than buying four river vessels more like the "African Queen." The hon. member says he knows about Field Marshal Smuts. Those vessels would better have suited the Congo River during General Smuts' 1915 campaign when the African soldiers from Tanganyika were running all over the place. They could better have been sold to Idi Amin because they could sail on Lake Victoria but not adequately in Barbados. But we have to have a vessel. I do not like the idea of spending large sums of money on a vessel when the money could be used for other purposes. I don't like it, but we must have a coast guard vessel. A Minister from Trinidad told me a few days ago that they are spending \$45 million for getting two fast patrol boats for Trinidad; and they won't be significantly better than the ones we are getting. The North Point would not have been an air/sea rescue vessel; it would have been a South African rescue vessel. The hon. member talked about not going to dinner with General Smuts, yet I heard him say he would prefer to be in an aeroplane with Ian Smith rather than with members of the Barbados Labour Party. (ASIDES) I heard you say so. Ian Smith has been to Barbados. The hon. member entertained Ian Smith in Barbados in 1965. Frank Walcott told me so and I checked it. (ASIDES)

I have very nearly reached the end. I will say in conclusion and in summary to the hon. member's reply that I think his speech undoubtedly was a valuable contribution to political life in this country. The hon. member made the point that the atmosphere is not calm in Barbados. If there were more speeches like what the hon. member made in here tonight the atmosphere would be calmer. The reason why the atmosphere is not calm is because there have been a lot of inflammatory political meetings — and I am using the word inflammatory deliberately. If the hon. member could see the report the Commissioner of Police has made about the cane fires over the week end he would know what I mean. The four people who have been arrested — one of them has already been convicted for cane fires — and those who may yet be

arrested could have a lot to say about the atmosphere not being calm. If we could have more speeches like that from the hon. member on platforms and less of the vile abuse, abuse bringing in even the verse of Ecclesiastes which he saw fit to quote — the verse about a time to kill — if we had had a little less of that in the last two years the atmosphere would be a lot calmer. But I want to tell the hon. member this: we are very calm on this side. I do not know how it is with you over there but we are very calm on this side. And I want to tell the public at large that I have heard elections announced in many different ways. I heard about one in 1966 shortly before the hon. member heard about it, but I have never before heard an election announcement in the House of Assembly by the Leader of the Opposition; but I do assure you, Mr. Speaker that I have not taken him into my confidence in this matter; he will be the first to hear over the radio in due course.

We have had a somewhat curtailed Budget debate, Sir, and perhaps it is only for me to say that probably the reason why it is curtailed is because it is very difficult to say anything critical about the Budget. I regard their silence as being as much a tribute as the words from the hon. member for St. John. I think I can safely say that the Budget of 1980 gave general satisfaction all around in the House of Assembly.

I am not sure, Sir, what is the procedure relating to voting on the Resolution. It was formally seconded, I understand, but insofar as my speech is regarded as a contribution to the debate on the Resolution, I will not allow any sense of false modesty to prevent me from saying that I support the Resolution. Thank you, Mr. Speaker.

Hon. H. B. St. JOHN: Mr. Speaker, I beg to move that the Resolution I gave notice of yesterday do now pass.

The question to approve the Financial Statement and Budgetary Proposals for the year 1980–81 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. H. deB. FORDE, Hon. C. L. BOLDEN, Hon. L. B. BRATHWAITE, Hon. L. R. TULL, Hon. Miss B. A. MILLER, Dr. R. L. CHELTENHAM, Mr. L. SISNETT, Mr. V. JOHNSON, Mr. D. SIMMONS, Mr. E. E. ALLEYNE, Mr. D. BRADSHAW and Mr. J. ODLE — 15.

Noes: Rt. Hon. E. W. BARROW, Dr. R. CADDLE, Mr. E. SANDIFORD, Mr. E. GREAVES and Mr. B. M. TAITT — 5.
10.00 p.m.

Mr. SPEAKER: We must have some order please.

Fifteen hon. members voted "Aye". Five hon. members voted "No". I declare the "Ayes" have it.

ADJOURNMENT

Hon. H. B. St. JOHN: Mr. Speaker, Sir, that concludes Government Business for today. I beg to move that this House do now adjourn until Tuesday, 6th May, 1980 at 12 noon.

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

The question was put and resolved in the affirmative without division and Mr. SPEAKER, adjourned the House accordingly.
10.05 p.m.