THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1981 – 86

HOUSE OF ASSEMBLY

Tuesday, 26th April, 1983.

Pursuant to the adjournment, the House of Assembly met at 12.20 p.m. o'clock.

PRESENT

His Honour C. L. Bolden, LL.B., (Deputy Speaker)
Hon. L. S. Craig, (Minister of Parliamentary Affairs and Leader of the House)
Hon. H. B. St. John, Q.C., LL.B., (Deputy Prime Minister and Minister of Trade, Tourism and Industry)
Hon. Miss B. A. Miller, (Minister of Education)
Hon. L. B. Brathwaite, (Minister of Housing and Lands)
Mr. J. G. Odle, B.Sc., (Chairman of Committees)
Hon. L. R. Tull, Q.C., M.A., (Attorney General and Minister of Legal Affairs and Minister of Foreign Affairs)
Hon. DeL. O. Bradshaw, (Minister of Labour, Social Security and Sport)
Mr. L. L. Sisnett
Mr. R. E. Brathwaite
Hon. Dr. D. G. Blackman, B.A., M.A., PhD., (Minister of Health and Community Services)

Prayers were read by Archdeacon F. A. Cayless.

MINUTES

Mr. DEPUTY SPEAKER: The Minutes of the meeting of Tuesday, April 19, 1983.

Hon. L. S. CRAIG: Mr. Deputy Speaker, I beg to move that the Minutes of the meeting of Tuesday, April 19, 1983 be taken as read.

Mr. DEPUTY SPEAKER: If there are no observations or objections, let the Minutes stand confirmed.

ANNOUNCEMENTS

Mr. DEPUTY SPEAKER: I am to announce that I have received the Accounts and Statements for the month of February, 1983 as prepared by the Accountant General.

PAPERS LAID

Hon. L. S. CRAIG: Mr. Deputy Speaker, on behalf of the Minister of Finance and Planning, I am commanded to lay:

The Consumption Tax (Amendment) (No. 2) Order, 1983.

GOVERNMENT BUSINESS

Hon. L. S. CRAIG: Mr. Deputy Speaker, I beg to move that Government Business be the instant order of the day.

Mr. DEPUTY SPEAKER: Government Business is the instant order of the day.

Hon. V. L. JOHNSON and Mr. H. A. BLACKMAN entered the Chamber and took their seats.

SUSPENSION OF STANDING ORDERS

Hon. L. S. CRAIG: Mr. Deputy Speaker, I beg to move that Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of today's sitting.

Mr. L. L. SISNETT: I beg to second that.

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

THE INCOME TAX (AMENDMENT) ACT, 1983

Order No. 3 was called – To move the Second Reading of a Bill to amend the Income Tax Act, Cap. 73.

Hon. H. B. St. JOHN: Mr. Deputy Speaker, this Bill has as its objectives the implementation of certain provisions which were outlined in the Budgetary Proposals for the year 1982. The drafting of this legislation has taken a much longer period than was anticipated by the Government, and this was occasioned by the fact that with a number of the provisions, while the principles to be embodied in the legislation appeared to be simple, in translating these principles into legal language they had to be very carefully drawn so as not to impact upon existing legislation in an unfavourable manner for the revenue.

The most important of the principles is contained in the new provision whereby the Government is trying, by way of an inducement, to allow the private sector to provide its own accommodation for industry. This is by the grant of an enhanced initial capital expenditure and the permitting of the writing off of the balance of the capital expenditure over a fifteen year period. Those people who are interested in the construction industry in Barbados, and in the provision of factory and work-shop space, I am sure would welcome this provision.

The other main feature of this amendment is to deal, once and for all, with the question of the amount which is chargeable for a benefit which arises where the employer provides accommodation for an employee. The principles are set out in a new Section 7(a).

It is considered that it was necessary to have the maximum amount imputable to remove a source of concern, which arose every year, to those employees, particularly employees who do not normally reside in Barbados, but who come here to carry out executive functions for a specific period. This, we hope, will end all such arguments with respect to the amount to be imputed by way of addition to their income.

There is just one final one I would like to mention. It relates to the new concession which has been granted to that large section of Barbados who now have to pay rent because they do not own their own homes, and therefore cannot qualify for the mortgage relief which is granted to individuals. They will now be granted a rent allowance, which will bring them to some measure of parity with existing house owners, who are allowed to deduct up to $7 200 by way of mortgage interest towards their home contribution to shelter.

We hope that this will help younger people and that section of the community who are not at the present moment buying houses. We hope this will help them to be relieved of some measure of tax, and I do hope that they will use this reduction in their tax to start, or join, a meaningful savings scheme whereby in the near future they will be able to build up a deposit.

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

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

12.30 p.m.

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

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 13 inclusive were called and passed.

Hon. Dr. R. L. CHELTENHAM and Mr. B. M. TAITT entered the Chamber and took their seats.

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

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

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT CHEAPSIDE, ST. MICHAEL.

Order No. 4 was called – To move the passing of a Resolution to approve the compulsory acquisition of land at Cheapside, St. Michael.

Hon. L. B. BRATHWAITE: Mr. Deputy Speaker, this resolution is not one which, in my view, calls for much discussion.

A brief look at the area of Cheapside and Fontabelle would reveal the tremendous development within the past few months, and, certainly, it is something for any people, as distinct from Government, to be proud of.

In order to lend beauty and order to the development which is taking place in that area, the Government considers it necessary to streamline the situation down there and to put it in a more orderly form. That is the reason why this particular property, "Alma Cot" was acquired.

It will allow us to extend and widen the road and to give a better view of the access of the area leading towards the new post office, which is being built at Cheapside.

With those few remarks, Mr. Deputy Speaker, I beg to move that this Resolution do now pass.

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

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

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT PRESIDENT KENNEDY DRIVE, ST. MICHAEL

Hon. L. B. BRATHWAITE: Mr. Deputy Speaker, this Resolution deals with two areas of land at President Kennedy Drive. One is presently rented from the estate of the late Atwell, and the other one is also part of that estate.

The Government has been renting that portion of land for a considerable time and the Government wishes to remove the present depot which Transport and Works has at Country Road to that site at President Kennedy Drive.

It is thought that in times of flooding, as happened in 1970 when that area was affected, and it might well happen again, you may have serious problems; and it is thought that it is not the healthiest place to have a depot for the MTW workers to operate from.

Therefore, it is considered that it lends for a tidier arrangement to acquire the additional lands down there to be acquired in order to resite the depot at Country Road on the additional area of land. In other words, you will be having an extended depot at President Kennedy Drive.

12.40 p.m.

I recall that during my period as Minister of Communications and Works, it was thought that you could have concentrated all the activity at the Pine. But then it was thought that if anything had happened on the Black Rock side of the City area and there was serious flooding, we would need to have an operation in that area that would be able to take care of any problems that would arise during the period of flooding, or in the event of any serious calamity.

The idea lent itself to me – I thought it was a good and worthy idea – that you should develop a place that was comparatively safe from flooding and at the same time would be an operation that could be useful in case of any calamity which would affect the island.

With those few remarks, I beg to move that this Resolution do now pass.

Hon. H. B. St. JOHN: I beg to second that.

Mr. B. M. TAITT: Mr. Deputy Speaker, I regret very much that, prior to this Resolution coming before this Honourable House, the Minister who says that the matter was brought to him and that it appealed to him did not, perhaps, do some consultation.

I have to say that I do not at all like the idea of this MCW depot right smack on President Kennedy Drive in the location where, at the moment, there is what was once described to me as "a temporary depot".

So that honourable Members would know exactly where this land is located, it is about 100 yards down from the Eagle Hall Post Office, just approximately on the corner of Richmond Gap, at the spot where a young child was recently killed in an accident, and at a spot where anyone who passes President Kennedy Drive in the morning is aware that large numbers of school children use that area. I think there are nearly 3 000 children who go to the St. Leonard's Schools, to say nothing of those who go to the Westbury Schools a little further down – and they have to cross over the President Kennedy Road to go to school.

You will recall, Sir, that, some time ago, I used to agitate to have a crossing placed at that point, and I am very pleased to say that such a crossing has eventually been put there. The crossing has added to the safety of the area, but I do not think that it could be described as a safe area, generally speaking.

Safety has improved considerably, and one has to recognise that the reality of life is that that is where the school is located and therefore not much can be done, and I would say that what can be done so far as safety is concerned has been done. I think, however, that increasing the traffic which would be going in and out of the depot for the Ministry of Transport and Works is fundamentally wrong. From that point of view alone, the location is not good.

It is a location that forms, virtually, a triangle. The piece of land forms a triangle from the Post Office to the corner of President Kennedy Drive and Richmond Gap, back to Barbarees Hill and Richmond Gap, back to the Post Office, a little triangular piece of land.

Sir, the Emmanuel Baptist Church has been constructed next door to where the temporary depot is, and in terms of the aesthetics of that area, the depot is an unsightly aspect of that environment. It is unsightly. It is most undesirable from an aesthetic point of view, but, more particularly, the nature of the work which goes on there requires a large amount of marl and marl fill to be deposited along that area, and on an on-going and constant basis there is a lot of dust flowing from the movement of the trucks into and out of the depot. This

is smack in the middle of one of the busiest thoroughfares in Barbados.

To hear that we are going to be expanding that particular activity, which, as it stands now, is not desirable, cannot in my view be acceptable, and while I do not feel that I wish to hold the Minister and hog-tie him and fight him to the wall over this particular acquisition, I would like to appeal to him on behalf of the people who live in that area, and the people who work in that area, to reconsider his plan.

I want to suggest to him that the persons who live in that environment are from the lower socio-economic group in Barbados, and it may be felt by those who made the original plan that you do not have, when considering those people, to bring to bear all the same considerations that would be brought to bear if it was being located in Rydal Waters, or Stanmore Crescent, or one of the more, shall we call them salubrious areas.

However, I think the people that live in Hoad's Land and Richmond Gap, and along President Kennedy Drive deserve the same environmental consideration as any other group of people anywhere in Barbados.

Now, I accept that an MTW depot has to go somewhere, but I would like to suggest that that particular location is particularly unsuited for an MTW depot, especially an expanded one. I am really appealing to the Minister that while he might acquire the land – he is in the process of acquiring the land and I have no doubt that this Resolution will pass, if for no other reason than that the numbers are on his side – I would like to suggest to him that he himself re-examine this particular policy decision to see if the points I have put are not reasonable and are not worthy of consideration in terms of the people who live immediately around there.

The Eagle Hall area is one of the most congested and one of the most intensely populated areas of Barbados, and I really feel very strongly that to the extent we can assist in upgrading the environment for those people, we ought to take every possible step to do so. Far from taking steps to upgrade the environment, this, in my view, would be a step toward downgrading that environment.

I would invite any honourable Member, when passing President Kennedy Drive again, to stop and examine the area and see if, in fact, he will not agree with me. The dust flies not only to the President Kennedy side, but it goes to the Barbarees Hill side as well. That area has recently seen renewed construction of certain types of houses along the Barbarees Hill area, and I honestly cannot accept, without reference to political position, that this is a proper decision that has been made after due consideration of the persons who will be affected by it.

If the honourable Minister is intent on having an MTW depot is that general area, I would like to suggest to him that there are other locations within a mile of that particular piece of land which will be better suited for the purpose which he has outlined, and which would not cause any of the difficulties which will be attendant on the location of the depot, a permanent depot, an expanded depot, at this particular spot.

I really appeal to the Government to reconsider this particular decision. I think in fairness to myself that I would have to say that I cannot support the Resolution for those reasons. I have no quarrel with the acquisition of the land *per se*, but the purposes for which the land will be used are not purposes that I, as representative for that area, would accept.

Thank you, Mr. Deputy Speaker.

Mr. W. O. FRANKLIN (St. Philip North): Mr. Deputy Speaker, I would like to join my comrade in beseeching the Minister to have a second look, because with the expansion of this depot, he would definitely be defeating the job they are doing now along that President Kennedy Drive.

Coming from the harbour, Mr. Deputy Speaker, along the approach of the lights going into the Spring Garden Road, there has been a lot of landscaping done. The Central Purchasing Office has now been beautifully landscaped, and that whole area is beginning to take on the type of look that entering into your city by one of the major highways should take on.

12.50 p.m.

I had spoken before on the matter of the removal of the old car museum along that President Kennedy Drive, but, so far, there has been no success removing that eyesore. I have heard, via one or two people and from articles, that a new site has been identified for the old car museum, and now that we are about to get the removal of that, I think it is a step in the wrong direction to expand that depot, for the reasons that have been so ably put by my comrade on this side.

The whole area in and around the harbour is beginning to take on a pleasant look, one very much to the satisfaction of the people of Barbados, but there are still one or two eyesores along that section. When you are coming down the Trevor's Way, which has been so beautifully landscaped by the Rotary Club, I believe, there is still that old wreck. It is an ugly sight.

I do not know whose responsibility it is, but I certainly would draw to the attention of the Minister who is responsible for the Environment that it really subtracts from that beautiful piece of landscaping when people go there to relax and they see that old wreck. And in removing that wreck to improve the area, he should not be

guilty of going in the opposite direction to detract from the beautification of the area where the Parks and Beaches people are now landscaping.

I would like to join my fellow comrade and beg the Minister to please have another look again. That area is taking on a nice pleasant look in conjunction with the Spring Garden Road and the approach to the Harbour, and to go at this time and put a depot where you will have large heaps of marl and sand and traffic going in and out will certainly not be in keeping with the programme of the development of that area.

Thank you, Mr. Deputy Speaker.

Mr. L. L. SISNETT (St. Michael North East): Mr. Deputy Speaker, Sir, whereas I am concerned that the Government is finding alternate lands for the purpose of providing a service depot for the Ministry of Transport and its vehicles at Country Road, and whereas I would like to see a suitable location to be determined for those vehicles, I am not sure that the land which we are discussing now on the President Kennedy Drive lends itself, ideally, for this purpose.

I happen to represent a constituency in which there is a major quarry works in the Green Hill area and one of the greatest sources of complaints every day is the constant blowing of dust particles from this quarry into the surrounding area. This has caused much unhappiness and ill-health to the residents of Green Hill, Mahaica and some areas of Eden Lodge, which happen to be in the precincts of that quarry.

Also, at Buxton School, which is just a stone's throw away from those quarry works, the students and teachers alike have voiced their complaints about dust blowing into the school, which makes the children unwell.

I am not so sure, Sir, that the siting, or resiting, or enlarging, of the depot at President Kennedy Drive would not pose similar problems to the immediate residents in that area and, to some extent, to the children who go to the St. Leonard's Schools.

Perhaps it would be, as the other Members on the other side are saying, a good reason for us to reconsider this, because, as I see it, the problem is going to be aggravated very shortly as the depot begins to get bigger and vehicles, with all kinds of stuff, move into and out of that area.

We are going to have complaints from the residents. We are going to have complaints, I am sure, from the schools. And as the existing lands are on one of the important arteries into the City of Bridgetown, it would seem to me that to have more traffic, especially of a very large volume, in that area, plus the capacity of those trucks, would now be posing a problem to the children as they leave the schools at peak hours.

I would want, perhaps, to hear a little more from the Minister on this issue. As I have the experiences of hearing the people's complaints about those quarrying works at Green Hill, where every day the schools have been voicing their complaints about the dust particles and the residents have been also complaining about the volume of dust in the atmosphere, I tend to think that in a year's time or two years from now if these lands are acquired specifically for a storage depot, which will be used by the Ministry of Transport and Works, the residents at President Kennedy Drive, and the children of St. Leonard's Schools, we are going to have similar problems as those we are experiencing in the Green Hill area.

I would ask the Minister to carefully consider these points which I have put before the House.

Mr. R. E. BRATHWAITE (St. Lucy): Mr. Speaker, I rise to support this Resolution. I would say that from a boy, I think that depot was always around that area and the Democratic Labour Party was in power – I do not like to be always reminding them – for 15 years, but it now seems that the honourable Member for St. Michael West (Mr. B. M. Taitt) has now noticed the problem that we used to have there.

What I would like to recommend to the honourable Minister.....

Mr. B. M. TAITT: On a point of order, Sir: I believe the honourable Member has been inadvertently misleading this House. He obviously is not familiar with the location we are talking about, because he said that from a boy the depot was always there. That is not correct. That depot has only been there recently. We are talking about Eagle Hall. That depot has not been there from when you were a boy. There is no way it could be – unless you were a big boy.

Mr. R. E. BRATHWAITE: Sir, as far as I know, that depot was there for a very long time, and the honourable Member might only be trying to say that I am an older man than I am. I would say it was there approximately 15 years anyhow.

I will agree, Mr. Deputy Speaker, that we all have to give and take, and I am appealing to the Minister to make sure that the people keep the environment a little more tidy. I think that would be more practical. That would be something of virtue, because we all know that throughout the length and breadth of this country everybody is crying out about the potholes in the roads.

People have been crying out about the slow way in which the Ministry of Transport and Works has been performing so if you have a depot now, which may be in St. Lucy or St. Philip, and there are any potholes in the streets in Bridgetown, you will have to send down to St. Lucy or up to St. Philip for a little bit of stone for the roads, and I do not think that that would make any sense whatsoever.

I agree that that area is on the outskirts of the city, and I believe that there are industries in that area, and I would recommend that we should do all in our power to protect the environment around there.
1.00 p.m.

One thing worries me a little, Mr. Deputy Speaker. I hope that the honourable Minister will be able to give me some kind of information and help me a little. I am talking about the acquisitions that we have in the parish of St. Lucy, which were done practically two years ago.

I believe that when we go into acquisitions, we should really look and see the conditions, because, Mr. Deputy Speaker, when you look around to see that the honourable Member spoke about the environment of the people of Richmond Gap, I do not believe that ten of us in the parish of St. Lucy, especially Checker Hall, welcome the Cement Plant down there. But we realise that we have to give way to progress, and we would have to be satisfied and bear with something that we would not like.

Approximately six acres of land was divided between about eight people, and there are some people who are receiving 64 cents per square foot for the same land, with the same road frontage, the same electricity, the same water and some people are receiving as little as 28 cents per square foot. I would like to know the difference there and what is causing it.

I also would like the Government to look into the acquisitions because I remember that where the oil project is in St. Patrick's, some of the people up there still own their lands, but every year they have some kind of royalty that they get from their lands – but now the poor people in the parish of St. Lucy, who used to depend on their land year after year, are not in the same position.

I know a particular gentleman who had three acres of land, and he never worked particularly for anybody. He has children, one of whom is an electrical contractor in California, another a medical doctor, another a pastor of a church in England, and he educated these children off three acres of land. When you take over a man's three acres of land, especially an agriculturist, and you pay him at least around $10 000 an acre – and for three acres that would be $30 000 – we all know that $30 000 cannot educate any child to be a doctor or anything of that kind – when you take that land from that individual and leave him, I do not think that is so good.

I feel that Government should investigate this. Government should make sure that they swop these people, who have been accustomed to doing agriculture all their lives, a piece of land somewhere else where they own land, where the people can continue in the stride that they used to be in all the days of their lives.

As you know, those people work morning, noon and night and help send canes to the factory, they help with the food in this country, but you are now tying these people's hands. When you give them $30 000, you automatically put them in a position like the goose with the golden egg, you cut them loose, get the one egg, and that is the end of it. I do not think that many of those people down there really enjoy the idea of drawing the money like that.

I would like to appeal to the honourable Minister that in the future when we have such acquisitions, we all should check with these people and find out what they would like, and in places where we have land under the ADC, especially land that is not cultivated, you should give the people a swop in that area so that these people would be able to carry on in their stride from day to day and try to be gainfully employed.

I thank you, Mr. Deputy Speaker.

Hon. V. L. JOHNSON: Mr. Deputy Speaker, the speeches of the honourable Member for St. Michael West (Mr. B. M Taitt) and the honourable Member for St. Philip North (Mr. W. O. Franklin) have been noted.

One of the things that I am a little surprised about is that people can so easily articulate a position in such a disinterested or detached and dispassionate way when it relates to somebody else, but they are not able to bring equal forthrightness or such critical analysis to situations when they themselves are presiding.

The depot which we are hearing so much about today is a depot that has been in existence at that location for well in excess of ten years. I cannot recall a single speech identifying the environmental concerns which I heard expressed in here today. I am not suggesting that we are to be insensitive to the environmental considerations and to the aspects of health which should inform all of our utterances when we are dealing with matters of this sort, but I am saying that it is unfortunate that sometimes when we are in a position we are not able to be as candid as we turn out to be when we are not in that position.

I believe, Sir, that if I had it to do, I would not necessarily locate a depot in that particular spot, but in as much as a large amount of MTW infrastructural inputs have gone into that area for that purpose, it is not an easy matter to just pick up and move. One has to bear in mind that even if we plan to yield to the voice of those environmentalists, who say that it is not a suitable location, it would take a considerable period of time before it is possible to abandon that site and choose another spot.

What we can do, and indeed what we do, is to be conscious of the fact that works of this nature, wherever they are located near to a residential area or likely to be irritants either from the point of view of the fact that dust is annoying, if it is an untidy kind of situation or that it might be unsightly, if we think in terms of purely aesthetic considerations, in mitigation I can tell the honourable Members who have spoken that the intention is not to expand the untidy aspects of that work at that site at Richmond.

The bulk of the things that they refer to, like the stone and other things that might conceivably be irritants, would still be located in the original Country Road area, but the administrative exercises that go on at Country Road, the record keeping and the office operations are intended to be located at this site. So I do not believe that the residents of the area in question need be unduly concerned about the fact that the Government is in the process of acquiring a parcel of land adjacent to the depot for the purpose of expanding the depot. I think they need to understand what the nature of the expansion is intended to be.

I take the concerns expressed by the honourable Members, and I can give the undertaking that, as Minister responsible for Transportation and Works, I will be equally sensitive to the need for making certain that people's health is not threatened by any of the exercises of the Ministry of Transport and Works.

But, Sir, whenever you look at a situation like what we have here and we analyse the need for the expansion of certain facilities, it is almost inevitable that certain aspects of the things we have to do in the interest of social progress are going to be exercises that are not particularly pleasant and may indeed cause concern. Our duty as administrators is to try as much as possible to alleviate the levels of those concerns by bringing our own sensitivities and our own sense of reasonableness to bear upon the decisions which we are able to make from time to time.

The Ministry of Transport and Works is having some difficulty with the question of where within the St. Michael area they can locate depots of this sort. The Ministry operates a depot somewhere in the vicinity of the QEH Hospital and we have been informed that we have to vacate these premises because they are no longer suitable for the kind of exercise that goes on there.
1.10 p.m.

And now, when we seek to find another location that has so far been acceptable, you get these representations. So far as I know, there have been no complaints from the residents in the area. As a matter of fact, Sir, unless you know where that depot is, it is almost impossible to know that there is a depot there.

(Mr. B. M. TAITT: Man, how would you know?)

Hon. V. L. JOHNSON: I am in the area every day; not necessarily at the depot, but I'm in the environs on a daily basis.

Mr. B. M. TAITT: If the honourable Member would give way, Sir, on a point of elucidation.....

Aside.

Mr. B. M. TAITT: But you are not speaking Billie. It is not your business.

Mr. Deputy Speaker, I was very careful when I was making my contribution on this matter to point out that the inconveniences which exist now have been brought to my attention, as representative. However, because an assurance has been given that the depot would eventually be moved in the new expansion planned – and that assurance was given to me by an honourable Minister – we would put up with the situation as it exists.

However, the expansion now seems to suggest that we are now making the situation a permanent one. The residents have been complaining.

Hon. V. L. JOHNSON: The Member can give his constituents the assurance that the Minister responsible for Transport has taken his speech into consideration and we will ensure that the health, safety and convenience of the residents will be carefully considered in this expansion move, and that we will do nothing to further exacerbate whatever the situation might be.

(Mr. L. E. SANDIFORD: That is the Minister for Transport. What about the Minister for Works?)

Hon. V. L. JOHNSON: Transport and Works.

Sir, I was mentioning that in an expanded situation where we have to cater to needs in an effort to keep up with the urbanisation of the environment, we have to get a new spot. Bridgetown is spreading quite rapidly and there is hardly a part that you can identify in St. Michael, Sir, that will not now, or in a very short period of time, be classifiable as unsuitable for being an MTW depot.

If you look around St. Michael, you will see that St. Michael has itself expanded into St. James. This is an ever burgeoning urban situation, and it will continue because of the limited and scarce resources in terms of land that we have available. So there is going to be some inconvenience, if it is no more than inconvenience of having to look at something that is not particularly pleasing, but which, when it is properly weighed, turns out to be in the better interest of the general society.

The quarrying operations that were mentioned earlier must certainly be a source of irritation to some people. But in the generalised conditions of Barbados, it will be necessary for such quarrying operations to go on in or near a residential community, and to let these considerations inform the level of precaution that we take insofar as inconveniencing the public is concerned.

So the Ministry of Transport and Works will take note of all that has been said and, as I said before, in as much as I have been assured by the people in the Ministry that the intention is to provide administrative facilities rather than to expand the stone operation, there is no need for the residents in that area to be unduly concerned for the future. I will certainly give my undertaking that I will do whatever is possible to make sure that their comfort is taken fully into consideration at all times.

Mr. DEPUTY SPEAKER: The honourable Minister will now reply.

Hon. L. B. BRATHWAITE: Mr. Deputy Speaker, I listened with some interest to the views expressed by the two honourable Members for St. Michael West (Mr. B. M. Taitt) and St. Philip North (Mr. W. O. Franklin).

I am happy that the honourable Minister who has just sat down spoke, because what I was going to say is that I act as landlord for the Government really; we act on behalf of client Ministries and we can only do what is asked of us.

But when I mentioned the position with respect to the President Kennedy Drive, I was doing so against a background of my knowledge of a report, which was made some time ago to the Ministry of Works, over the flooding which took place in the area in 1970. The view was then advanced that it was necessary to have a depot situated at a point where you would be, to some extent, at a reasonably high level – but still within the city area.

To me, it is certainly appealing to sentiment when you go overboard to talk about a child being killed around the corner. I do not like to hear that being pressed, because people, every day, somewhere, even in churches, are being killed. Therefore, do not advance that as an argument at all. I do not like to hear that. We do not want to see anybody killed, and we do everything to ensure that it is not done.

That place has, for many years served as a depot for MCW, and to say that it is being expanded because the poorer section of the society lives there, is not a fair statement to make, bearing in mind that it was placed there before this Government came into office. And in addition to this –

(Mr. B. M. TAITT: That does not make it any less wrong.)

Hon. L. B. BRATHWAITE: Oh no, no. But, I am going to make a point still.

Mr. Deputy Speaker, there is also a depot in the Garrison among all the homes that are there. I mean, do not try to give the impression – I just do not like this idea of trying to –

Mr. B. M. TAITT: Mr. Deputy Speaker, on a point of elucidation.

Hon. L. B. BRATHWAITE: I will give way.

Mr. B. M. TAITT: On a point of elucidation, Sir: He seems to be of the impression that I was attacking his Government in a political way.

The fact is that the location of that depot, whoever located it there, is wrong. If it were located during our time, it was wrong to locate it there.

(Hon. DeL. O. BRADSHAW: Tell them so. You did not tell them. You only found out that it is wrong now.)

Mr. B. M. TAITT: We cannot look at the issue of the location, Mr. Deputy Speaker, in political terms. And I was careful to point out that I was not speaking in purely political terms; that I was looking at the issue in a particular way.

I am not embarrassed to admit that we may have made a mistake or two. We are only human. But the location of that depot can be seen by a child to be wrong, and to expand on it, Mr. Deputy Speaker.....

Mr. DEPUTY SPEAKER: The honourable Member cannot make a speech at this point.

Hon. L. B. BRATHWAITE: I concede, Mr. Deputy Speaker, that the honourable Member did not speak for his length of time when he spoke originally and, therefore, he wants to make up now. I am sure he has my sympathy.

But in the modern concept of placing depots and so on, you are not actually now seeing a district where a depot is placed in any special area. It is now considered that depots should be put at very convenient points and depots are not to be seen as depots were seen in the past. In other words, there is no question of building up a lot of material, aggregate and what have you.
1.20 p.m.

The main purpose in having your depot is primarily to have some place to put your cement and to be sure that the cement is protected from water in the case of any rainfall or flooding or so, but you can always order your aggregate from day to day from people who do the quarrying, or your sand from the various points. You do not go to any length today of hoarding cement. You keep cement, but, like sand and aggregate, you do not keep massive quantities. Therefore, there is no major problem as far as that is concerned.

The honourable Minister responsible for Transport and Works has given the undertaking that he will look at this matter and that the depot will not be there longer than is necessary. We accept that. I suppose when he evolves a system, that would be applied.

The honourable Member for St. Michael North East (Mr. L. L. Sisnett) touched on the question of pollution in the area of Green Hill. That is a matter which was raised in this Honourable House already. At that time, I gave the honourable Member an assurance that I would look at it – I was then wearing another hat, that of the Ministry of Health – and I had the Environmental Section of that Ministry look at the pollution levels up there. They did that and they came up with a clear picture of the problems and indicated that there was really a serious position of pollution in that area. I do not know what has happened since that, but I would suggest to him that he makes a further follow-up within the Ministry of Health to see exactly what is going on.

As far as the honourable Member for St. Lucy (Mr. R. E. Brathwaite) is concerned, with respect to the question of compensation for acquisition, I cannot say how these were arrived at at the time, but I believe that the most equitable form of valuation was arrived at when it was done at the time.

It is not very easy to deal with people when it comes to land valuation. It is not impossible to find that you may go to six different people within the same district to find that each of them is asking a different price for their land. And when you have a situation like this, it is always better to put forward a price to them and say this is what the Government is offering.

As a matter of fact, the Government and the Ministry of Housing and Lands at the moment are looking at the question of what was the tax value of the property at the time of the last valuation, and any increase in value subsequent to that time. To my way of thinking, that might be the fairest way in arriving at a decision and a conclusion with respect to valuation.

From time to time, you find that when the going is good for people who are selling, there is no quarrel, but when the Government makes the slightest slip in terms of offering a price which they expect to get, you hear a loud hue and cry, and I hope that they will have reason to feel that in future when the Government is paying, it is they themselves who are paying.

Those are my few remarks in reply to the points raised by honourable Members.

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

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Deputy Speaker, this is the end of Government Business for today. I beg to move that this sitting be now suspended until 3.45 p.m. tomorrow, April 27, 1983.

Hon. H. B. St. JOHN: I beg to second that.

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

On Resumption:

Mr. DEPUTY SPEAKER: This sitting is now resumed.

Hon. L. S. CRAIG: Mr. Deputy Speaker, I have a Supplementary Notice Paper, Sir, and with the pleasure of the House, I would like to revert to Orders of the Day, "Papers".

Mr. DEPUTY SPEAKER: If there are no objections, leave will be granted to the honourable Leader of the House.

PAPERS LAID

Hon. L. S. CRAIG: Mr. Deputy Speaker, on behalf of the Rt. Hon. Prime Minister, I am commanded to lay:

The Defence (Rate of Pay) Regulations

The Barbados Economic Report, 1982

The Barbados Request to the International Monetary Fund for a stand-by arrangement.

(Hon. Dr. R. L. CHELTENHAM: How do you like that?)

(Mr. P. M. GREAVES: We expected that. That was to be expected.)

(Mr. B. M. TAITT: You read it out already. You corrected all the errors. We still find that the statistics are wrong.)

Rt. Hon. J. M. G. M. ADAMS entered the honourable Chamber and took his seat.

Hon. L. S. CRAIG: Mr. Deputy Speaker, the measure which is going to be before the Honourable House at this time, Sir, since it is a suspended sitting, is going to be the presentation of the Minister of Finance's Budgetary Proposals and I would crave the indulgence of the Honourable House.

Mr. DEPUTY SPEAKER: The Rt. Hon. Minister of Finance.
4.00 p.m.

Rt. Hon. J. M. G. M. ADAMS (St. Thomas):

Spring is a little late this year, Mr. Speaker, as far as the Financial Statement and Budgetary Proposals are concerned, for not since 1979 have I presented them as late as the last Wednesday of April.

But a little deliberation may sometimes be no bad thing, for I feel sure that in future years when we review the experience of the decade of the 80's, 1982 will be remembered as the year in which the concept of global economic inter-dependence became a reality. This will be so because the difficulties we are facing are worldwide in scope, affecting both the industrialized and the developing countries, regardless of their political structures. It is a crisis characterized by falling production and contracting trade, by rising unemployment and extreme volatility in interest rates and foreign exchange markets.

As the Brandt Commission so aptly observed, we have witnessed a severe and global contraction in every aspect of the World Economy, caused in the first instance by the decrease in economic growth in the major industrial economies. Growth in these countries has traditionally been the locomotive which pulls the rest of the world along. It stimulates trade and capital flows and provides the means for the great summer and winter migration of the human species that we call international tourism. It is therefore no surprise that the acute contraction in demand in the OECD countries has affected the rest of the World in varying degrees. None has been immune. In Eastern Europe, major crises have occurred in Poland and Rumania and the slow-down in trade with the West has created bottle necks in supply while crippling debt service burden has caused considerable internal dislocation.

The developing countries of course have been hardest hit with many countries in Africa unable to afford basic imports like food and energy. The crisis in Latin America in 1982 was the worst since the Great Depression. Per capita product in the region fell for the second consecutive year while the total output of goods and services dropped for the first time in 40 years. So profound has been the effects of the recession on the world economy that major petroleum exporters like Nigeria, Mexico and Venezuela which until a year ago seemed to have unlimited resources, are now confronted with serious economic problems which even the possession of black gold cannot solve.

Like the rest of the World Barbados has experienced a decline of output and income and an increase in unemployment. However, despite our many and serious problems we have much for which to be thankful. Our higher level of income per capita and lower level of population growth have permitted us to absorb declines in real output without widespread hardship and deprivation. Our well developed social infrastructure operating through a network of transfers to the needy, has cushioned the impact of falling income levels on the most vulnerable sections of our population. Finally, the inevitable adjustment to temporarily declining living standards caused by factors outside our control has been carried out in an orderly and humane fashion by the design and implementation of a comprehensive and inter-related set of policies aimed at ensuring that the reduction in income is accommodated by compensating reductions in demand.

These policies which are the sole responsibility of the Barbados Government, have been carried out with the financial assistance of the IMF.

Despite the ill-informed and mischievous criticism of Barbados' relationship with the Fund, I think that every fair-minded person viewing the disorder and chaos which rules throughout most of the developing world and which has affected even countries abundantly endowed with natural resources, would have to admit that at least in Barbados we have minimised the impact of unemployment, we are still able to import and consume what we need, our people can still travel abroad freely and we can pay our debts. This is no small achievement in today's world! It has not come about fortuitously but as a result of conscious economic management. Yet paradoxically it is these policies which have been abused by the misguided and the malevolent who have suggested that these policies should be abandoned but who have no constructive, or indeed any, alternative to offer.

International Economic Developments in 1982

The global recession continued to exact its toll on the economies of both developed and developing countries, some of which have had to devise stringent monetary, fiscal and other measures including currency devaluation and trade protectionism. Also, some countries, especially in Latin America, having exhausted their foreign exchange reserves were compelled to reschedule their foreign debt repayments.

High real rates of interest in most countries worked counter to the expansion in investment and credit and, consequently, depressed economic activity. Demand remained weak for several of the primary products of the developing countries, which have in turn been weakened by contracting export earnings and severe balance of payments problems. Nevertheless, during the latter half of the year, nominal interest rates were lowered in the USA, a process facilitated by the contraction in the rate of inflation.

Real Gross National Product in the 24 member countries of the Organisation for Economic Cooperation and Development (OECD), the rich man's club, is estimated to have fallen by 0.5% in 1982, as compared to a real growth of 1% of GNP in 1981. Growth in Japan was stimulated by the strong export sector and the country recorded a sizeable trade surplus in 1982 despite a fall of 1% in industrial production and a decline of 3.9% in output in the car industry, in particular at the end of the year.

Real output in the USA declined by 1.8% and industrial output was 8.0% lower than in 1981. Output in West Germany and Canada declined by 1.2% and 4.0% respectively, but in the United Kingdom a marginal rate of growth of 0.5% was attained.

Unemployment levels remained high internationally as the low economic activity could neither sustain nor generate adequate employment. Thirty-two million people who want work in the OECD countries cannot find it.

Towards the end of 1981 there was growing evidence that the inflationary surge generated between 1979 and 1980 was abating. In 1982 consumer prices in the industrialised countries grew at markedly lower rates than in 1980 and in 1981.

The terms of trade moved against primary producers as the prices of commodities reached their lowest level in nearly half a century. Metals as well as food crops were affected. Of direct relevance to the CARICOM countries were the low prices for aluminium and raw sugar. Aluminium prices plunged to US 47 cents per pound while the London daily price of sugar was 81 pounds (Sterling) per tonne in October 1982. However, by the last quarter of the year commodity prices were beginning to gain some strength.

Regional Economic Development

Economic activity in the Caribbean region remained sluggish in 1982. The deepening international recession had the impact of substantially weakening the export-oriented sectors in the Region. However, as a consequence of the sharp fall in prices in the industrialised countries, import prices stabilised and inflation rates in several regional countries moderated.

Tourism continued to be affected by the recession in the industrialised countries but the decline in tourist arrivals was estimated at only 1% for the Caribbean as a whole. Barbados and St. Lucia were hardest hit by the decline in arrivals but arrivals in the Bahamas and Jamaica increased by 10% and 20%, respectively.

The value of Banana exports volume increased by some 2% in spite of lower sales from the Windward Islands, although earnings declined. Bauxite production was 29% lower than in 1981 as the demand for aluminium at the international level remained weak and the average price dropped from 623 pounds per tonne in 1981 to 565 pounds per tonne in 1982. Output in Jamaica and Guyana both declined by an estimated 30% and 22%, respectively.

Regional sugar production fell by 2% to an estimated 810 000 tonnes, which was the lowest level in 30 years. Only in Belize and St. Kitts/Nevis did output increase. Many countries were hard-hit by unfavourable weather, unauthorised cane fires, pests and diseases, and labour problems.

The Barbados Economy, 1982

In many respects, the performance of the domestic economy was conditioned by that of the international economy. The recession in the economies of Barbados' major trading partners further deepened during 1982, contracting their output, increasing their unemployment, decreasing their disposable income and depressing demand. The result was that the export-oriented sectors were considerably weakened. The CARICOM and domestically-oriented sectors performed more favourably but could not offset the decline in the external sectors.

Provisional data show that Gross Domestic Product in Barbados at factor cost, in current prices increased by only 5.7% to Bds $1.804 billion. This nominal GDP growth rate was lower than the 11.6% recorded in 1981 and the 27.9% nominal growth for 1980. Real GDP dropped by 4.6% in 1982, following a drop of 2.8% in the previous

year. The only sector in which there was positive real growth was "Non-Sugar Agriculture and Fishing", which recorded real increase of 8.0%.

The contribution of sugar to GDP fell from $69.8 million in 1981 to $58.4 million or 3.2% of GDP in 1982 in nominal terms. The real value of sugar production fell by 7.5% in 1982 in contrast to a decline of 30% in 1981.

Total vegetable production in Barbados was 37% higher in 1982 than in 1981.

Poultry production rose by 11.7% and pork production increased by 38% during the year.

Activity in the manufacturing sector contracted somewhat, following the depressed external demand for domestic products. However, electronic components and garments recorded growth. Nominal output in the manufacturing sector increased from $203.9 million in 1981 to $219.4 million in 1982 but the real component was 1.3% lower than in 1981.

The tourism sector experienced a reduction in tourist arrivals and in cruise ship passengers. Stayover arrivals were down by 13.5% and cruise passengers down by 20% in 1982.

Nominal value added fell by 12.3%, and real by 14%. The sector also contributed a smaller share of GDP in 1982.

Largely reacting to the impact of diminishing activity in the productive sectors, the performance of the construction sector was weaker than in 1981. Real output fell by 3.9% in 1982.

Gross Domestic Product at Market Prices in 1982 went over US $1 billion for the first time. It was $2.01 billion compared to $1.906 billion in 1981. Personal Consumption expenditure declined from $1.35 billion in 1981 to $1.34 billion. This was the first year that nominal personal consumption expenditure has fallen since 1976. Its share of GDP at market prices also declined from 70.7% in 1981 to 66.6% in 1982.

Government consumption expenditure fell marginally from $287.7 million in 1981 to $284.3 million in 1982 and was 14.1% of GDP at market prices.

Gross Capital Formation dropped significantly from $494.8 million to $424.7 million or by 14.2%, indicating that the economy began to feel the squeeze of the international recession. The share of Gross Capital Formation in total expenditure fell from 26.0% in 1981 to 21.1% in 1982.

Prices

There was better news on prices in 1982 with a sharp fall in the rate of inflation from a point-to-point rate of 12.3% at the end of 1981 to 6.9% at the end of last

December. The annualised rate of inflation was the lowest recorded in Barbados since 1976, the result of lower rates of imported inflation as well as the strength of the US dollar to which the Barbados dollar is pegged. The average annual rate of inflation fell from 14.6% to 10.3%.

Average food prices in 1982 increased by only 2.5% as compared with 12.6% in 1981 and in fact the index for food prices has decreased continually every month since August, 1982. The price index for food at the end of last month was less than it was at the end of April last year. Prices in the housing group still remained high, but for clothing average prices were slightly lower at the end of 1982, than at the end of 1981.

The 1982 rate of inflation in Barbados was lower than the rates for Canada, Jamaica and Trinidad and Tobago; but higher than those in the USA and the United Kingdom.

Unemployment

The average rate of unemployment as a percentage of the labour force, in 1982 stood at 13.6%, compared with 10.8% during 1981. The labour force increased from 114 300 persons in 1981 to 115 100 in 1982 while the number of persons employed decreased from 101 900 persons in 1981 to 99 400 last year.

The labour force as a percentage of the total number of adults stood at 64.8%. This is a very high participation ratio for a developing country and is more in line with the ratio in richer, developed countries. The proportion of adults actually working in Barbados far exceeds that of most developing countries and is not much different from that in many countries in today's developed world.

Even in the face of adverse economic conditions both domestically and internationally, Barbados has therefore been able to maintain a relatively high level of employment, and to contain to a reasonable level the disturbing world-wide phenomenon of increasing loss of jobs. The most recent figures derived from the Household Sample Survey suggest that unemployment may have stabilised at the end of 1982 when the rate was 13.3%.

During the last quarter of the year there were 14 900 persons unemployed, of whom 6 400 persons were males and 8 500 females. This represents an increase of 2 300 over the figure for the last quarter of 1981. Some 8 000 of these unemployed, or more than half were under the age of 25 years, whereas only 1 600 were over 40 years old. This clearly indicates that the thrust of the Government's effort to generate employment must continue to be geared towards matching a supply of jobs with the needs of the young and relatively unskilled, especially female, segment of the labour force. The Government's Unemployment Benefit Scheme came into force in 1982, and has been of assistance to a number of persons who lost their jobs, mainly older workers who could more easily qualify under the present somewhat stringent conditions. A study of these conditions is now underway.

Monetary Review

The monetary policies of the Government in 1982 were designed to contain domestic expenditures to a level consistent with reduced foreign exchange earnings from the leading external sectors. The liquidity requirements for commercial banks were raised and selective credit controls were further tightened. These measures restricted access to credit for consumer durables and controlled the rapid growth in imports experienced in recent years. On March 3, 1982 the increase in the liquid assets ratio of the commercial banks was raised from 25% to 27% of deposits. This had the effect of shifting more of Government's financing requirements on to the commercial banks and of reducing the liquidity of the commercial banking system.

To ensure that there was still adequate financing for the needs of the producing sectors, the Central Bank made its special discount schemes for these sectors more attractive by widening the margin at which commercial banks could on-lend. By year end $11.3 million was outstanding under the various schemes compared with $1.6 million at the end of 1981.

Interest rates in Barbados were kept in line with rates abroad to reduce the incentives for businessmen to keep money abroad. Domestic interest rates were high for most of the year with the average lending rate at 15% and the minimum savings deposit rate at 8%. However, as rates abroad declined, the average lending rate was first lowered to 14% and the minimum savings rate to 7%. These rates were again lowered on December 1 to 13% and 6%. The rate on residential mortgages was at the same time reduced from 12% to 11%.

Already in 1983, as foreign rates have continued to fall, I have authorised a further lowering of the average lending rate to 12%, effective April 1.

Balance of Payments

Domestic exports in 1982 grew by more than $86.7 million or 29.2% over the 1981 figure reaching $383.7 million. Total exports, that is including re-exports, increased from $391 million in 1981 to $528.6 million despite the acute drop in sugar export earnings. Retained imports fell for the first time since 1957, as restrictive credit conditions curbed the growth in consumer imports while manufacturers ran down their inventories of intermediate goods in the face of declining sales.

Total imports were some $45 million less, or 3.9% lower than in 1981. Capital goods imports were higher in 1982 mainly to meet the requirements of the cement plant and power projects.

The merchandise trade gap narrowed from $760.3 million in 1981 to $577.5 million in 1982 but reduced earnings from tourism, other services and net transfers widened the current account gap on the Balance of Payments.

Export of electrical parts and clothing were very strong and led the way in the manufacturing sector. Trade with the USA and CARICOM remained strong and these

two areas accounted for the main thrust of export earnings for Barbados. Exports to the United Kingdom also showed a substantial increase during the year.

As a result of substantial capital inflows, the Balance of Payments recorded a surplus of $5.0 million as compared with a deficit of $76.0 million in the previous year. The International reserves were much healthier at the end of the year, increasing by $54 million as compared with a decline of $48 million at the end of 1981. They now stand as sufficient for, comfortably, over three months imports, one of our best positions ever.

Prospects for 1983

Mr. Speaker, looking to the future, recent developments seem to offer some hope for improvement in the world economic climate. Although the signs are uncertain and doubts persist in some quarters, the significant decline everywhere in rates of inflation and nominal interest rates, combined with the prospect of further falls in oil prices, appear to provide the stimulus for renewed growth in many of the major industrial countries. In the United States, where under-utilised capacity and continuing high levels of unemployment provide great scope for non-inflationary growth, the more optimistic economic forecasters are predicting output growth reaching an annual rate as high as 5% in real terms by the fourth quarter of 1983. Similarly, expectations are that the United Kingdom will experience 2% real growth in 1983; with higher rates forecast for West Germany and Japan. The optimistic view then of the world economy in 1983 is for a gradual but steady recovery of the growth of output and income in the OECD countries.

Clearly, if they are indeed realised, the beneficial impact of these developments on the Caribbean countries in general and Barbados in particular will take some time to be felt. The result of higher incomes in North America and Europe will hardly be felt in any significant way before 1984. However, if recovery in our major trading partners becomes a reality in 1983, we can be sure that we will have seen the light at the end of the tunnel. We must therefore not falter now. We have accomplished much by our discipline and willingness to bear sacrifice. We need to continue policies of restraint and caution a little while longer, in the hope and expectation that when the upturn in the international economy comes our institutions and productive structure, as well as our social cohesion remain intact, so that we can once again return to the path of growth and improve living standards which we experienced prior to 1981.

Financial Review

Revenue

I turn now, Mr. Speaker, to the review of the domestic financial year ending March 31, 1983. The current revenue for the year originally estimated at $494.4 million.

Provisional data suggest that actual collections at March 31, were $495.5 million. This represents an increase of $25.7 million or approximately 5.5% more than revenue collected during the fiscal year 1981–82.

Expenditure

Current expenditure for the financial year 1982–83 was originally estimated at $501.5 million. During the year, supplementary provisions were approved for $51.8 million, making a total current expenditure authorised by Parliament of $553.3 million.

Throughout the year efforts were made to restrict the growth of expenditure, and provisional information indicates that actual expenditure at March 31 was $503.5 million, including a slight loss from the operations of the Post Office. This represents an increase of $30.1 million or approximately 6.4% over 1981–82.

In addition, in a special transaction, expenditure in the sum of $24.9 million was charged to the Current Expenditure Head, "Loans and Advances" to arrange the purchase of the local petroleum production facilities owned by the Mobil Oil Company.

The approved estimates of capital expenditure for the year 1982–83 amounted to the sum of $138.4 million. During the course of the year, supplementary provisions of $9.6 million were granted to make the total capital expenditure approved by Parliament $148.0 million. Provisional data put the actual expenditure at March 31 at $112.7 million or $60.4 million less than the expenditure incurred during the 1981–82 fiscal year.

During the financial year under review several of the major projects started in earlier years came to an end. This is one of the chief reasons why there has been such a significant decrease in the level of capital expenditure.

In addition, as part of a serious effort to reduce the overall deficit of the public sector, a decision was taken not to begin any large projects.

Thus, Mr. Speaker, we see that the original overall deficit was estimated at $145.5 million and that by the end of the year it was actually $145.6 million. This represents approximately 7.2% of the estimated Gross Domestic Product at market prices for the year 1982. When the National Insurance surplus is subtracted from the deficit and the operations of the Airport, which are of a commercial character, netted out, the deficit by international reckoning standards is $76.8 million or 3.8% of GDP.

Public Debt

The Public Debt at March 31, 1983 is provisionally estimated at $728.4 million exclusive of the Government's overdraft facility at the Central Bank. Local borrowings amounted to $372.7 million and foreign borrowings to $335.7 million. During the latter part of the year, interest rates on the Euro-dollar market declined as a result of which, payments on the public sector debt were not as high as originally anticipated. They absorbed 2.0% of total export earnings compared with 1.1% in 1982. Thus, Mr. Speaker, in spite of a slight increase in the size of the national debt, the foreign debt service ratio continues to be very modest by internationally accepted standards.

Review of the IMF Programme

Mr. Speaker, I consider that I should say a word at this stage about the relationship between Barbados and the International Monetary Fund.

Barbados' approach to the IMF was envisaged in last year's Budget. I referred to the then public sector deficit, which, I said, would best be compensated for by institutional and non-commercial borrowing from the international financial institutions of which Barbados was a member. I went on to say that the mere mention of the International Monetary Fund and the World Bank, of course, tended to create dismay in the public mind, but that Governments which recognise their problems early "and take early corrective action (often requiring sacrifice) do not need to fear association with these institutions since the valid efforts at self-help will attract the assistance of the international community". That was what I said in the Budget on March 31 last year, and the second Brandt Commission Report on North-South cooperation for world recovery – not a document which goes out of its way to praise the IMF – has since agreed with my views on going early to the Fund to avoid drastic measures later.

Notwithstanding the reputation which IMF Agreements have for imposing harsh conditions on Governments which seek its assistance, the only conditions attached to the Barbados Stand-by were various credit ceilings on borrowing by Government and Government agencies which I have already explained to the House and to the public.

The record shows that Barbados has met all the tests of the Programme with relative ease, and I announced this in the House earlier this month.

Notwithstanding the facts, efforts have recently been made to discredit the economic performance of the Government in relation to the IMF Programme. In particular, the Press and the broadcast media, both local and overseas, have carried a report that the IMF and the Government are locked in a battle over a new Agreement because, it is alleged, the Fund has recommended that the Barbados dollar be devalued and that the Government is resisting this recommendation. I have already commented, Mr. Speaker, that I regard this totally false allegation as the most dangerously irresponsible statement I have heard in 20 years of public life; for there are few things more damaging to the immediate financial comfort of a country than a deliberately false rumour of devaluation. Fortunately, I do not have to use my own words further to describe the fact that it is entirely false, since an IMF official speaking in Paris on April 13 to a meeting of donors of the Caribbean Group in Economic Development specifically denied the rumours in the Press and told the donors that there was no disagreement between Barbados and the Fund over exchange rates.

The official also said that Barbados' performance under the IMF programme so far had been commendable, and that, "in light of the determined adjustment efforts undertaken by the Barbadian Government in the present difficult international environment, and Barbados' encouraging performance under the arrangement so far, the Fund lends its strong support to the Government of Barbados' appeal to the international community for financial assistance on the scale envisaged."

Mr. Speaker, there are few misrepresentations more sinister than misrepresentation based on half truths or misrepresentations based on one or two ill-understood paragraphs of documents where the underlying structure of the subject matter is not fully grasped. I am therefore making available the entire documentation of the Stand-by Arrangements submitted to the Board of the IMF, in August, 1982 and I have made arrangements for it to be laid earlier today.

I am aware that the material is long, technical and even perhaps obscure in places. It is written by technicians for technicians.

It is normally treated as confidential but the Government does not intend to let the peace and order of Barbados to be any longer disturbed by phoney revelations and downright mischievous misrepresentations about the IMF. And I would say in conclusion, Mr. Speaker, that it is time that all of us in Barbados put an end to these scare tactics.

Public Finances

Mr. Speaker, I consider that during the fiscal year 1983–84 some steps must be taken to strengthen and improve Government finances. Current revenue, estimated at $508.6 million is $6.8 million less than estimated current expenditure of $515.4 million. When this current account deficit is added to estimated capital expenditure of $122.8 million, the overall deficit of $129.6 million would amount to 5.6% of estimated GDP. The traditional perception being that Barbados is a very highly taxed society. I have given careful thought to the taxable capacity of the economy and to the tax effort which the community can be expected to make in return for the various benefits and services which are derived from the payment of taxes.

The concept known as 'tax effort', is usually determined by the ratio of tax revenue to Gross Domestic Product.

The ratio of revenue to GDP in Barbados compares favourably with that in the more developed countries and our tax effort is among the strongest in the developing world. However, there are indications that the revenue ratio has declined over the last few years.

If we examine the situation between 1974 and 1983, we will discover that the ratio in the 1982–83 fiscal year was only 24.6% of GDP which is below the average of 26.1% for the period and is lower than that for every year except 1974–75 when it was 23.4%. It is very considerably less than 1978–79 when it was 29.4%. And this high revenue collection was what made possible our great economic expansion of 1979 and 1980.

The decline is understandable when you consider that the real value of taxes and fees which are fixed in money terms decline with inflation; and that, during recessionary times, consumption patterns may be curtailed with the result that taxes from such

sources will drop. That is why, Mr. Speaker, it is necessary to review the rates of the level of fees charged for services from time to time.

Mr. Speaker, while I do not expect that the relationship between revenue and GDP can immediately be restored to the high point of 1978–79, I consider that it is necessary to arrest the decline so that the Public Finances will be able to continue to support a reasonably high level of services to the community.

Therefore, Mr. Speaker, in order not to impose any undue hardship on any particular section of the community, I have been careful in my Budgetary Proposals to choose those areas where the burden will be least felt.

PROPOSALS

Indirect Taxation

Consumption Taxes – Petroleum

I will start my Budgetary proposals with indirect taxation, Mr. Speaker, in an area where I propose to make major and substantial changes but where, fortunately the taxpayer and consumer will not be called on to pay any increased charges. I refer to taxation on petroleum products.

The Government's policy on energy is basically to maximise local production of crude oil and natural gas, to explore all possibilities of alternate and renewable sources of energy, and to effect conservation wherever possible. These measures are aimed at reducing our dependence on imported fuels.

In July last year, the Government through the National Petroleum Corporation acquired the local production assets of Mobil Exploration Limited for $24 million. In January, 1983, the Barbados National Oil Company was established to carry on the oil-field operations previously undertaken by Mobil Oil Exploration Limited. The Government has also undertaken a number of other energy projects. We are proceeding with our plan to set up a pilot plant to determine the full potential of generating electricity from wind resources. Preliminary research work aimed at determining the wave energy potential of the south eastern coast of the island is continuing.

The tax incentives provided in previous Budgets for the development of the solar energy industry has led to a substantial increase in the number of solar water heating units installed on the island.

Successful efforts have been made, at the technical level, to feed electricity generated at sugar factories from excess bagasse into the national grid. There is a joint Government/UN Development Programme Project for manufacturing energy saving equipment in Barbados to be used in hotels.

We are not only concerned about increasing the indigenous supply of energy, but also in ensuring that the energy available to us is used efficiently, and work on a Government and World Bank Project on energy conservation has already started.

Mr. Speaker, all these projects are costing money and this year's drop in oil prices presents Barbados with two problems. On the one hand we have to decide how far to distribute to consumers the benefit of the US$5 per barrel reduction, and on the other, how to maintain our expenditure on alternative energy and local petroleum exploration. Firstly it must be pointed out that the fall in the oil price will affect the revenue of the Barbados National Oil Company; and secondly we can by no means be sure that the new price represents a new stability. Accordingly, I have decided that there will be no change in the retail prices of gasolene and diesel, but that I will pass on the benefits to consumers of electricity and of kerosene. As I said in the House last week, Mr. Speaker, it is not proposed to allow the Mobil refinery to make any excess profit as a result of the fall in the price of its feedstock. I therefore propose as follows, starting at midnight tonight:

1. The present surcharge granted to the Refinery on gasolene and diesel will be reduced by 1.32 cents per litre, or 5 cents per US gallon, and the consumption tax increased by this amount. Motorists will *not* pay more, as the refinery will bear the whole tax.

2. The surcharge of 7.480 cents per litre, or 28 cents per gallon on kerosene will be removed, and the retail price of kerosene will, from midnight tonight be reduced from 69 cents a litre to 62 cents a litre. I am aware that less kerosene is used than in the past, but I am granting this concession to the old age pensioners and lower income earners who are now its main consumers.

3. The current surcharge of 5.333 cents a litre or 20 cents a gallon on fuel oil will be reduced to 0.7925 cents a litre or 3 cents a gallon. Seven cents of the seventeen cents reduction per gallon will be converted to consumption tax and used to assist in supplementing the finances of the Barbados National Oil Company whose annual revenue will now fall by approximately $5 million. The remaining 10 cents reduction will reduce the cost of fuel oil, mainly to the Electric Company whose customers will immediately benefit by a lower fuel charge. This, coupled with the sharp fall in the fuel charge coming about as a result of the efficient new machinery recently installed with the aid of a government guarantee, means that there will be some cushion to allow consumers of electricity to absorb any price increases arising from other causes. Electricity has in fact risen considerably less in price, than any other item since the new cost of living index was introduced in 1980.

These proposals complete an energy pricing package that has been underway since the start of this month. On April 1, 1983 I removed a special margin of 7 cents per gallon on gasolene, diesel and kerosene then being granted to marketing companies to make up for past losses and converted it to revenue by way of consumption tax.

The measures I have taken today, combined with those of April 1, will produce government revenue of $5.1 million and will pass on $3.4 million to the consumers of electricity and of kerosene.

Consumption Taxes – Other

Motor Cars

In the area of other consumption taxes I will deal next with taxes on motor cars. The Government's action in removing import restrictions on motor cars has allowed the public to have a better choice of vehicle without the market distortion to which the previous regulations had led. As a result of representations that present taxation points were giving an unfair advantage to the very cheapest cars, which are sometimes not always of the best quality, I had to decide whether to make cheap cars a little more expensive or medium-priced cars a little cheaper. I have decided that it should become easier to purchase a better quality and I therefore propose as from tomorrow that, where the chargeable value of a motor vehicle (which means cost, insurance, freight and duty) does not exceed $20,000 the rate of consumption tax will be 50%. This means that for vehicles in the chargeable range of $16,000 (the previous limit) to $20,000 the cost of cars will be reduced by amounts of $3,200 – $4,000. This proposal is expected to cost the revenue $600 000.

Cigarettes and aerated waters

The arguments which I used last year in favour of increased taxation on cigarettes remain as cogent as ever. Our levels of tobacco taxation are low, compared with developed countries where the menace of lung cancer and heart disease from cigarette smoking are fully recognised. We are smoking over 150 million cigarettes a year in Barbados, all made from imported tobacco. I propose to increase the consumption tax on cigarettes by one cent per cigarette with effect from midnight tonight.

I also propose new consumption tax rates for soft drinks. In doing this I am not only seeking to raise revenue, but also to stimulate demand for local fruit juices which are much better for health than soft drinks and which are now being produced by the Pine Hill Dairy and another local company. My proposals will also effect some rationalisation of the tax system. I propose to abolish the distinction between drinks sold in containers of less than 207 ml. and those of more than 207 ml. but less than 355 ml. The new rate for tomorrow will be 5 cents on drinks of both these sizes. The rate for aerated drinks in metal containers will be a standard rate of 55 cents per container, irrespective of size.

Falernum

Mr. Speaker, there is one drink that is exclusively Barbadian, made nowhere else and much appreciated. I refer to falernum. Falernum has suffered from high taxation in recent years, as it has fallen to be considered as a liqueur, taxed at a rate appropriate to expensive overseas drinks. I now propose to identify falernum specifically in our classifications and give the drink an opportunity to rebuild its market by removing the consumption tax altogether. I cannot however promise that this happy state of affairs for drinkers of corn and oil will remain forever!

Finally, Mr. Speaker to encourage the preservation of an old Barbadian building tradition and to help those elderly persons who still use shingles made of wood on their

houses I propose forthwith to remove the consumption tax on this item. This is the first proposal of a scheme to encourage the preservation of old buildings in Barbados. After representations from the National Trust, the Barbados Workers' Union and others, the Government has decided, in consultation with the Trust to institute appropriate measures to give tax relief to owners of these structures, commercial as well as residential.

The Town Planning Department is preparing lists of ancient buildings for preservation and I will announce another concession later on in my speech.

The new revenue to Government of the consumption tax proposals is $2.7 million, with concessions of $700,000 making a net total of $2 million.

Stamp Duty

Mr. Speaker, I turn next to Stamp Duty. The Government is now considering certain improvements and extensions to the services performed by the Customs Department. It is therefore only reasonable for some form of additional revenue to be raised to assist with defraying the expenses involved. Thus, Mr. Speaker, I have decided that with effect from April 28, the Stamp Duty which is charged on documents processed by the Customs Department will be increased by 1%. Also, in view of the new Exempt Insurances Bill which has added to the offshore services provided in Barbados, I propose a new Stamp Duty of $10 for all Exempt Insurance documents from April 28. It is expected that the additional revenue under this head will be $7 million.

Airport Charges

All of us are well aware of the fact that the facilities which have been provided at the Grantley Adams Airport are among the best to be found in the world. However, Mr. Speaker, the capital cost of the Airport in all was approximately $60.0 million. In addition the annual cost of maintenance, provision of services by the Airport Office, Customs Department, Immigration and Security Services add up to an amount in the vicinity of $12.0 million, not to mention the cost of transportation of staff and fire protection.

I am sure, Mr. Speaker, that none of us would disagree that airport charges should be constantly reviewed so as to ensure that the operating costs are recovered and that the airport pays for itself over a number of years. Consequently, I propose to make the following changes:

1. *Departure Tax* will be a uniform $12 per person instead of the original charges of $8 and $10 per person.

2. *Terminal Charge* will be $3 per person instead of the existing charge of $1.50.

No changes will this year be made on Landing Fees.

The changes will take effect from June 1, 1983, to allow for necessary consultation with airlines.

The additional revenue from the above charges will be $1.4 million.

Travel Tax on Airline Tickets

On the same basis, I propose a new travel tax of 10% on airline tickets for journeys originating in Barbados. Barbadians spend $43 million annually on foreign travel – at least that is what they draw from the Central Bank – including the cash we take abroad and this is a form of expenditure on which the Government has now concluded that a tax should be imposed. It will be administered by the Commissioner of Inland Revenue and will come into force on May 16, 1983. In a full year the tax should yield $2 million.

Licence Fees

Mr. Speaker, the public utilities of Barbados are a by-word for efficiency and coverage. We have 67 000 houses with electricity services and we have 40 000 domestic telephones. In recent years the real cost of these services has declined in relation to consumer income, but increasingly, Government has been called on to intervene by way of financial guarantee, regulation and Public Utility hearing. The cost to Government of administering and negotiating has greatly increased. I therefore propose as from January 1, 1984 to increase the annual licence fees for the Barbados Light and Power Company and the Telephone Company from $500 000 to $750 000. Also, I now propose to subject Cable and Wireless to a licence fee of $750 000. Additional revenue from this measure will be $1.25 million.

Telecommunications, Television & Video Recorders

Mr. Speaker, the electronic entertainment business has grown enormously in the last few years. Video tape recorders have been flowing into Barbados, and now the dish aerial, capable of receiving satellite television programmes from North America and elsewhere, has made its appearance.

With regard to Video Tape Recorders, trade statistics for the years 1980 to 1982 show that a total of 701 video tape machines were imported into the country at a value of $814 089. The Government thinks this to be an enormous under-estimation. It is believed that a considerable number of video tape recorders as well as video cassettes and tapes are brought into the island by passengers arriving at Grantley Adams International Airport as well as by various methods through the Bridgetown Port without passing through Customs. It is therefore difficult to determine precisely the number of video tape recorders in Barbadian households. However, we in the Ministry of Finance assume a figure of 5 000 which represents approximately 8% of the households in Barbados with one set each. The video competes directly with the cinema industry, which faces a 20% entertainment tax that it has to charge to customers.

I now propose to introduce a licence fee for video machines of $30 per annum per set. I propose a grace period of three months from today for people currently in possession of a video tape recorder, to register their sets. After this period they will be liable to prosecution for being in possession of a set without a licence.

A video tape rental service business has developed alongside the growth in the purchases of video tape recorders by Barbadians, and I believe that this business should make some contribution to the finances of the Government. There are approximately fifteen operators providing a video tape rental service and some of these operators have more than one outlet. There is some indication that they operate as a benign form of cartel, charging the same rates, laying down the same conditions for hire and blacklisting members – all in the interest of protecting their operations.

I propose to introduce a licence fee of $500 per year on each operator of a video rental service. Regulations for the conduct of their businesses will in due course be promulgated.

I also propose to increase the licence fees on all television sets by $10 per set for the benefit of the Revenue. The licence fee on a black and white television set will go from $20 per year to $30 per year and that on a colour television set will go from $30 per year to $40 per year.

The revenue increase expected from these charges and the increased fees for television sets and the measures in relation to video tape recorders is $500 000.

Dish aerials, the other new technology, will in future require a licence and at this stage I propose an annual fee of $200.

All these charges will come into force on May 2, 1983 and the charges will be collected by the Caribbean Broadcasting Corporation on behalf of the Government to be paid into the Consolidated Fund.

Hotel and Restaurant Sales Tax

No increase is proposed in the percentage charged on hotel and restaurant sales. However I propose to deal with two specialised areas which appear to me to be contributing less than their fair share to this tax. First, sales in proprietary clubs will, from June 1, 1983, come under the ambit of the charge on restaurant sales. The second area is timesharing. I am satisfied that certain forms of timesharing, whatever their other merits, are highly effective means of avoiding the Hotel Sales Tax. Hotel space in Barbados is sold abroad for a lump sum, and the timeshare operators pay hotel sales tax on only the relatively small sums remitted to Barbados to cover expenses. The entire timesharing operation will soon be regulated by new legislation but in the interim I am proposing that timesharing be specially charged to tax as follows:

1. Timesharing by way of a transfer of the fee simple will pay Property Transfer Tax, as at present, and the Hotel Sales Tax will be charged only on any service charge associated with the operation and paid to the hotel.

2. For all other timeshare operations the Commissioner of Inland Revenue shall deem any operation, unless he is satisfied that Hotel tax has been

paid on the full consideration of a timeshare sale, lease or other arrangement, to be liable to a Timeshare Tax.

3. The amount of the Timeshare Tax shall be $20 daily for each day a hotel room subject to the tax is occupied, and the tax shall be in substitution for any other Hotel Sales Tax applicable to the room.

It will be noted, Mr. Speaker, that the timeshare operators will have the option of making full disclosure of their operations to the Commissioner of Inland Revenue, paying the regular Hotel Sales Tax and avoiding the Timeshare Tax.

Timeshare operators have been warned that a special taxation regime was in prospect as from April 1, 1983 and the Timeshare tax will accordingly take effect from that date.

The tax is expected to yield $400 000

Health Services

The Government is committed to providing a National Health Service for every citizen, and in a few months we will be moving nearer to implementing the comprehensive plan announced not long ago. Before the end of the year the second phase will be introduced, when arrangements will be made for all persons over the age of 65 to register with the medical practitioner of their choice and have medical care paid for from the Health Scheme. The third phase, which will follow next year, will cover all citizens regardless of age.

Consequently, in order to assist with the financing and especially with the start up costs, it is necessary to impose a small increase of 1% on the existing Health Service Charge. This will be divided equally between employers and employees, one-half percent each, and will take effect from May 2, 1983.

This proposal is expected to realise an additional sum of $8.0 million in a full year and even though there may be a saving this financial year because of the loss of a few months in implementing the scheme, when the scheme is fully implemented the expenditure will balance the revenue. The sum of $6 million is expected in this financial year.

Direct Taxation

Land and Property Tax

For some time now, Mr. Speaker, I have been concerned about the ability of certain companies to avoid the payment of Property Transfer Tax when they sell land in Barbados. This can happen when land is effectively transferred as a result of the transfer of shares in a company which is not incorporated in Barbados, or, if locally incorporated, is controlled by other companies capable of hiding behind a corporate veil located abroad. This represents severe discrimination against local landowners.

I have decided, with effect from the Land Tax Year 1983, to introduce special rates of Land Tax for parcels of land owned by foreign companies, defined as companies either not incorporated locally or if locally incorporated, controlled by a foreign company or companies.

The rates are as follows:

1. In the case of unimproved land, a tax of 3% on the site value.

2. In the case of improved land, a tax of 2% on the improved value.

So much Mr. Speaker for the Cayman Islands companies.

These changes to the Land Tax rates will result in additional revenue of $1.5 million in a year, and will go some way towards redressing the advantages that foreign owners of Barbados' land now have.

Agricultural Land

The Government has in recent years undertaken a number of initiatives to support agriculture in Barbados. The sugar levy system was modernised. The accumulated levy funds were applied to productive ends and increased resources were made available for research and development. A price support scheme, much superior in our opinion to the straightforward subsidies so prevalent in other countries, has brought new acreage under cane; and another incentive to encourage the cutting of cane without burning, has been so far extremely successful. Both these developments augur well for next year's sugar crop. And we are hopeful that the spectacular success of non-sugar agriculture in 1982 will be repeated in future years. To this end, and to promote our plans for increasing sugar production the Government intends to step up the war against idle agricultural land.

On a small, densely populated island like Barbados, the withdrawal of agricultural land from productive use in the hope of speculative gain continues to be unacceptable. I therefore propose that the rate of the idle land levy under the Land Tax Act will be raised from its present level of $300 per hectare per annum to $500; and the existing limit of $5,000 will be abolished. The rate of the refund referred to in the Act will be raised correspondingly to $420 per hectare. The qualification for exemption will also be clarified. To qualify in future, holdings of 10 acres or more must be certified by the Commissioner of Land Tax to have at least 80 percent of their total arable land in agricultural production. These changes take effect from Land Tax year 1983.

The Government is considering what further financial and fiscal measures are needed to assist agriculture. But I must repeat my statement of last year that I have no intention of putting the sector on Welfare, as some of its representatives seem to want. This Government will not pursue self-sufficiency at any price which can mean largely at the expense of the poorer sections of the community.

Severance Pay

I turn now, Mr. Speaker, to a purely financial subject, that of Severance Pay. Barbados has the most generous severance payment provisions that we have been able to discover anywhere in the world. A worker made redundant in Barbados can receive up to almost 3 years pay tax free and enter new employment the next day – indeed in many cases workers stay in the same employment under a different employer. Employers contribute to a fund at the National Insurance pay limit, but have to pay severance for the years before they contributed at whatever level the employee earns, no matter how much higher than the National Insurance limit. Certain initiatives have already been announced by the Government, but I want to state now that it is not intended to take away the accrued rights to severance that anyone has already earned. But this is not enough to deal with the present condition of the law of severance. The great majority who receive severance are hardworking persons who through no fault of their own have been made redundant. It cannot be right that a small minority, some of whom in managerial positions may have contributed to the circumstances which led to their severance should receive $25,000, $50,000 or $200,000 tax free, and $200 000 Mr. Speaker is far from being the highest payment ever made.

Severance payments can in fact be regarded as future streams of income received in a present lump sum, and, if received as income, would have been subjected to the appropriate rates of income tax.

I therefore propose, as from income year 1983, to impose a tax such as exists in most countries, on all payments made on termination of employment, other than genuine retirement benefits, including severance and redundancy payments and compensation for loss of earnings on dismissal.

The legislation, which will be in the form of an amendment to the Income Tax Act, will be coupled with a rebate scheme for persons who remain continuously unemployed for six months or more after they have been severed or dismissed. The rates I propose are as follows:

Payments up to $25,000 tax free
From $25,000 to $50,000 tax will be charged at the rate of 30%; and at 50% on amounts from $50,000 and higher.

Mr. Speaker, I would like to point out at this stage that the rate of tax on taxable income of $20,000 is 50%, and it goes to 60% at $30,000. The lower rates which I am proposing for termination payments are in consideration of the problems associated with a person being severed and the difficulties usually encountered in finding employment in a short period of time.

For the collection of the tax, I propose that employers and others liable to make termination of employment payments shall deduct the tax at source in the same manner as Pay As You Earn deductions and pay the tax over to the Commissioner of Inland Revenue under the same conditions as govern PAYE deductions. This comes into force immediately.

The tax rebate scheme on severance payments which I intend to introduce is designed to ease the problems of the severed or dismissed person who remains unemployed for a long period of time.

If the person who is terminated remains unemployed for a period in excess of six consecutive months from the date of termination, a tax rebate, calculated on a proportionate basis in relation to the time period to which the payment relates, will be given.

For example, a terminated person in receipt of $50 000 in payments would pay tax of $7500. If the person remains unemployed for a period of eight consecutive months, then a rebate calculated at 1/3 of $7500 would be made, or $2500. If the person remains unemployed for 12 consecutive months then the full amount of tax would be refunded, subject to a reasonable upper limit to be determined.

Income Tax

Last year when I made certain adjustments to the income tax structure, I made reference to the fact that the top rate of 70% applies at a taxable income at the relatively low level of $40,000 and above. On that occasion, Mr. Speaker, even though I recognised that the situation was adversely affecting Barbados in its efforts to attract and retain skilled persons and to promote the island as a location for regional head offices, I indicated my inability to change it in a year of restraint.

Barbados is not a country with wide disparities of income. The highest income reported to the Commissioner of Inland Revenue for the last Income Year 1981 for which records exist was less than $300,000 and only 13 persons reported incomes of more than $150,000. We are a middle income country in every sense, and very few countries in the world now maintain top rates of income tax as high as ours. Both in the United States and Britain the maximum rate of tax has been reduced to 50%. As another step in reducing the burden of income tax in Barbados I propose as from Income Year 1983 to remove the 70% rate altogether. The top rate of tax will now be 60%. I would observe, Mr. Speaker, that our higher rates still apply at levels that are much too low and I will further address the problem of these higher rates when economic circumstances permit.

The reduction of the top rate will affect approximately 900 taxpayers. I further propose to assist the 12,000 taxpayers whose gross annual incomes are less than $8000 by improvements in the tax credits.

At present a taxpayer earning less than $6,000 gross receives a credit of $360 against his tax liabilities, which effectively means that he pays nothing in income tax. Taxpayers earning $6,001 – $7,000 are given $240 credit and those receiving $7,001 – $8,000 are given $120 credit.

I now propose to raise the credit for taxpayers earning up to $7,000 to $360 and from $7,001 to $8,000 to $180.

Finally on income tax, Mr. Speaker, I come to the proposals which I promised earlier to assist the owners of old buildings of historic or architectural interest. These are

now being listed under the provisions of the Town Planning Act and the list will soon be published. For owner-occupied dwelling houses on the list I propose that the present annual repair allowance of 4% of improved land tax value be raised to 10%.

The above changes will result in revenue loss of approximately $2.7 million.

Non-Tax Measures

Postal Charges

Mr. Speaker, I support the view that the Post Office should be treated as a commercial operation and as such should at least cover its operating cost from its revenue.

During the fiscal year 1982–83 however, the Post Office operations were in deficit and another deficit is projected for 1983–84. We provide excellent postal services, Mr. Speaker, and to help pay for them I propose to increase the charges to make up the shortfall of revenue which is being experienced.

My proposals, which are expected to yield approximately $400 000 in a fiscal year, are contained in Appendix I to this speech and will come into effect from May 3, 1983.

Company Fees

In the Budget of 1981, I made certain adjustments to the fees which are collected by the Registration Office when companies are registered. However, since then, the cost of providing such services has increased and it is considered that some small increases should be made to offset the increased expenditure. Therefore, with effect from May 2, 1983 I propose to increase the company registration fees in accordance with the details shown in Appendix II to my speech. These charges will yield $400 000 in a full year.

Registration of Professionals

Last year, Mr. Speaker I made certain changes to the registration fees for professional persons. On that occasion, the fee for specialist doctors was set at $1 500 per annum and that for general practitioners was made $1 000.

However, Mr. Speaker, there has been some problem among members of the medical profession in determining who should pay the higher fee and who should pay the lower one. Therefore, I propose, to abolish the distinction and to impose a fee of $1 500 per year for all medical practitioners. This change will take place with effect from 1984.

Exchange Control Applications

In the 1980 Budgetary proposals, fees were imposed to assist in offsetting the cost to the Exchange Control Authority of processing applications to remit funds abroad. The fee structure which varies according to the nature and size of transaction, is regarded

as what is known as a multiple currency practice and as such runs counter to our international obligations. Accordingly, it is proposed, effective June 1, 1983 to substitute a fixed fee of 1% on all applications to remit foreign exchange, with exemptions similar to those which at present exist.

Bus fares

This concludes my formal Budgetary Proposals, but still on the non-tax sector, Mr. Speaker, I must deal with an old perennial, the Transport Board. We cannot go on forever with the Board losing $15 plus million a year. A wage increase for the employees which is due from April 1 cannot be accommodated within the present fare structure. The many new buses on the roads have to be paid for and maintained and we cannot have a service with buses running for 20 hours daily unless we are willing to pay for it. The weekly cost of transport, only $6.00 to and from work daily if only one bus is needed, from anywhere in the whole country, is the lowest in the Caribbean. I will take this opportunity of announcing that the Minister of Transport has made an order raising the busfares from 60 cents to 75 cents as from May 3, 1983. No change is proposed in school children's fares.

Public Service Emoluments

Finally, Mr. Speaker, an announcement rather than a proposal, although it will fall to be costed as a Budgetary measure. Last year at the time of the wages negotiations with the Public Service I gave the assurance that if the economic situation improved I would consider some additional sum to supplement the wage increase. The Barbados Workers' Union suggested that an additional $5 million should be found. The Government's fiscal situation would not have allowed for any such increase, since there is a current account deficit of $6.8 million to wipe off and we are aiming at a surplus of $10–$20 million, depending on the pace of economic recovery, to contribute to capital development and the reduction of unemployment. The taxes I have imposed today should, however, put some funds in hand for all these purposes. From April 1, therefore, all public officers and persons paid from the Public Treasury will receive an interim allowance of two and one-half percent increase of salary paid monthly until the next salary increase. It is described as an 'interim allowance' for the purposes of the Pensions Act.

The gross cost will be $5.8 million for public servants, $557 000 for Government pensioners and $380 000 for National Insurance and other miscellaneous charges.

That, Mr. Speaker, concludes the economic statement and budgetary proposals. The proposals which I have delivered this evening are expected to result in increased charges of $30.7 million and revenue loss of $13.1 million as follows:–

Increased taxes	$m.
Consumption Taxes on Petroleum, including April 1st adjustment	5.1
Other Consumption Taxes	2.7

Increased Taxes	$m.
Stamp Duty	7.0
Airport Charges	1.4
Travel Tax	2.0
Licence fees for utility companies	1.3
Television and video licences	.5
Timeshare Tax	.4
Health Service charge	8.0
Land Tax	1.5
Postal Charges	.4
Company fees	.4
	30.7

Reduced Taxes	$m.
Reduction of Consumption Tax on motor cars, falernum, shingles and kerosene oil	1.1
Income tax adjustments	2.7
Public Service Salaries etc.	6.7
Expenditure on Health Service	2.6
	13.1

Thus, Mr. Speaker, the net additional revenue to the Government will be approximately $17.6 million and I am sure that everyone will agree that in spite of some increased taxation, the burden has been kept to the minimum by a careful selection of the areas which have been taxed. We will now be a little nearer restoring taxation's share of the Gross Domestic Product.

General Economic situation

Mr. Speaker, this afternoon I have dealt rather more with financial than economic measures. But these have been times when survival rather than development has been the issue.

As explained earlier, the Government has had to pursue tight monetary, fiscal, and credit policies. But while all recognise that these conditions can only be eased by significant recovery in the World Economy, this is not to imply that nothing can be done in the meantime to mobilize additional resources and stimulate the productive sectors of the economy. Indeed, Government has formulated effective short and medium term programmes for assisting both households and businesses to gain access to credit and other resources for productive purposes and so maintain income and employment levels.

In Housing, in Industry, in highway construction and transport improvement we have laid a solid foundation in the past 18 months for further takeoff. Our social security measures are coming to final fruition with the implementation of unemployment insurance and a National Health Service to be completed in a year and a half. Once more I say, we have much to be thankful for on this, our little Island.

Mr. Speaker, 50 years ago President Franklin Delano Rossevelt said to the American People "the only thing we have to fear is fear itself". He said this at a time of major international economic crisis which was shaking the world. Today, as we face similar economic disorder I repeat his words to Barbadians. We have nothing to fear once we place our trust in God and good government. So let us put aside the petty hatreds that petty politicians promote that serve only to pull us all down in confusion. Let us remember what we have achieved and look forward to what we can achieve and will achieve. We can see a new light; let us go forward together, onward and upward to meet it.

SUMMARY OF BUDGETARY PROPOSALS – 1983

1. Reduction of surcharge granted to the Refinery on gasoline and diesel by 1.32 cents per litre or 5 cents per U.S. gallon and an increase in consumption tax by the amount.

2. (a) Removal of surcharge of 7.480 cents per litre or 28 cents per gallon on kerosene.

   (b) Reduction in retail price of kerosene from 69 cents to 62 cents.

3. Reduction of surcharge on fuel oil from 5.333 cents per litre or 20 cents per gallon to 0.7925 cents per litre or 3 cents per gallon. Seven cents will go to Consumption Taxes to supplement financing of BNOC and 10 cents reduction will be used to reduce the fuel charge on electricity.

4. Limit at which higher rate of Consumption Tax applies to motor car will be raised from $16 000 to $20 000.

5. Consumption Tax on cigarettes increased from 25 cents per five to 30 cents per five.

6. Consumption Tax on aerated waters will be 5 cents per bottle regardless of its size. Effective date 28th April, 1983.

7. Removal of Consumption Tax on Falernum.

8. Removal of Consumption Tax on shingles made from wood.

9. Stamp Duty on documents processed by Customs Department increased by 1% – April 28th.

10. Stamp Duty of $10 imposed on all Exempt Insurance documents – April 28th.

11. Departure Tax increased to $12 per person and distinction between Caricom and non-Caricom trips removed. Effective from 1st June 1983.

12. Terminal charge increased from $1.50 to $3.00 per person. Effective 1st June, 1983.

13. A new travel tax of 10% on airline tickets for journeys originating in Barbados. Effective 16th May, 1983.

14. Annual fees for Barbados Light & Power, Telephone Company and Cable and Wireless will be $750 000 from 1st January, 1984.

SUMMARY OF BUDGETARY PROPOSALS – 1983 – *Cont'd*

15. Annual Licence fee of $30 per set for video tape recorders – effective 28th April with 3 months grace period for registration.

16. Annual licence fee of $500 for every operation of a video rental service. Effective 2nd May, 1983.

17. Licence fee on black and white television sets will go from $20 per year to $30 and that on colour television sets from $30 to $40 with effect from 2nd May, 1983.

18. Annual licence fee of $200 to operate dish aerials. Effective 2nd May, 1983.

19. Timeshare tax of $20 per day for every hotel room which is occupied for that purpose. Effective 1st April, 1983.

20. Increase of 1% in the Health Levy with effect from 2nd May, 1983.

21. Special rates of Land Tax on land owned by a foreign company. In the case of unimproved land, a tax of 3%. The tax on improved land will be 2%. Effective from Land Tax year, 1983.

22. Tax on idle land increased from $300 per hectare to $500 per hectare annually. The existing limit of $5 000 will be abolished and the rate of refund will be correspondingly raised to $420 per hectare. Effective Land Tax year, 1983.

23. Imposition of tax on severance payments as follows:–

    (a) Payments up to $25 000 – tax free

    (b) Payments over $25 000 up to $50 000 – 30%

    (c) Payments over $50 000 – 50%

24. A rebate of tax on severance payments will be granted on a proportionate basis in cases where a person remains unemployed for a period in excess of six consecutive months.

25. Top rate of Income Tax reduced from 70% to 60%.

26. Taxpayers earning up to $7 000 annually will enjoy a tax credit of $360 and those earning from $7 001 to $8 000 a credit of $180.

27. Repair allowance of 4% increased to 10% in the case of ancient buildings which are being preserved. An approved list will be published.

SUMMARY OF BUDGETARY PROPOSALS – 1983 – *Concluded*

28. Postage charges increased as shown in Appendix I.

29. Company fees increased as shown in Appendix II.

30. Distinction between specialist doctors and general practitioners subject to a registration fee of $1 500 with effect from 1984.

31. Present fees on exchange control applications will be replaced with a final fee of 1% from 1st June, 1983.

32. Bus fares to be increased to 75 cents from 3rd May, 1983.

33. From 1st April, 1983, Public Officers will receive interim allowance of two and one-half percent monthly.

Appendix I(A)

CHARGES BY THE POST OFFICE

INLAND POSTAGE RATES

Class of Correspondence		*Present*	*Proposed*
		$ ¢	$ ¢
LETTERS			
Weight not over	20 g	.20	.22
	100 g	.40	.45
	250 g	.90	1.05
	500 g	1 .75	2 .00
	1 000 g	2 .95	3 .40
	2 000	4 .70	5 .40
POSTCARDS		.12	.15
PRINTED PAPERS (Full Rate)			
Weight not over	20 g	.15	.17
	100 g	.20	.25
	250 g	.30	.35
	500 g	.50	.60
	1 000 g	.85	1 .00
	2 000 g	1 .40	1 .60
	3 000 g	2 .10	2 .40
	4 000 g	2. 80	3 .25
	5 000 g	3 .50	4 .00
PRINTED PAPERS (Reduced Rate) (Newspapers & Periodicals only)			
Weight not over	20 g	.08	.10
	100 g	.12	.15
	250 g	.15	.20
	500 g	.25	.35
	1 000 g	.45	.60
	2 000 g	.70	.90
SMALL PACKETS			
Weight not over	100 g	.20	.25
	250 g	.45	.60
	500 g	.70	.90
	1 000 g	1 .25	1 .60
REGISTRATION FEE		1 .00	1 .00

Appendix I(A) –Cont'd.

CHARGES BY THE POST OFFICE –Cont'd.

Class of Correspondence	*Present*	*Proposed*
INLAND PARCELS	$ ¢	$ ¢
Not exceeding 500 g	.20	.25
Each additional 500 g or part up to a maximum of 2 500 g	.15	.20

Appendix I(B)

FEES AND CHARGES

MAIL NOTICE SERVICE

Charges in respect of Mail Notice Service

Class of Correspondence	*Present*	*Proposed*
(i) Service 'A'	$ 1.50 per month or $15.00 per annum	$ 2.00 per month or $20.00 per annum
(ii) Service 'B'	$ 2.50 per month or $25.00 per annum	$ 3.00 per month or $30.00 per annum
Poste Restante (Inland charge applies)	35 cents	40 cents per item
STORAGE CHARGE (Inland Charge applies)	15 cents	25 cents per bag per day or part thereof
MAIL INQUIRY CHARGE (Maximum charge $1.58)	$1.20	$1.25 for each inquiry
INTERCEPTION CHARGE	15 cents	25 cents per item/ interception
LATE POSTING FEE (Inland Charge applies)		
(a) Registered letter (item) handed in within 30 minutes after time advertised for closing of mail.	20 cents	25 cents
(b) Unregistered letter (item) handed in 30 minutes after time advertised for closing of mail	15 cents	20 cents
REGISTRATION FEE	$1.00	$1.00

Appendix I(B) –Cont'd.

FEES AND CHARGES –*Cont'd.*

Class of Correspondence	*Present*	*Proposed*
REGISTRATION FEE		
OVERSEAS (Maximum $3.15)		
(including compulsory registration)		
(a) Single Items	$1 .20	$1 .25
(b) Bulk-post bags	$6 .25	$6 .25
ADVICE OF DELIVERY		
Registered Items		
(a) Inland	$1 .00	$1 .25
(b) Overseas	$1 .00	$1 .25

Appendix (C)

AIR MAIL POSTAGE RATES

PROPOSED RATES

COUNTRY OF DESTINATION	LETTERS		PRINTED PAPERS AND SMALL PACKETS		NEWS-PAPERS AND PERIODICALS		Airforms each	Postcards each	
	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof			
	$ ¢	¢	¢	¢	¢	¢	¢	¢	
Abu Dhabi (Pers. Gulf)	1.00	60	55	30	45	30	55	55	
Afghanistan ..	1.00	60	55	30	45	30	55	55	
Ajman ..	1.00	60	55	30	45	30	55	55	
Algeria ..	65	40	40	20	30	15	45	45	
Angola ..	1.00	60	55	30	45	30	55	55	
Argentina ..	1.00	60	55	30	45	30	55	55	
Ascension ..	1.00	60	55	30	45	30	55	55	
Australia ..	1.00	60	55	30	45	30	55	55	
Azores ..	65	40	40	20	30	15	45	45	
Bahamas ..	60	35	25	15	25	10	40	40	
Bahrain (State of)	1.00	60	55	30	45	30	55	55	
Bangladesh ..	1.00	60	55	30	45	30	55	55	
Belize ..	60	35	25	15	25	10	40	40	
Benin ..	1.00	60	55	30	45	30	55	55	
Bermuda ..	60	35	25	15	25	10	40	40	
Bhutan ..	1.00	60	55	30	45	30	55	55	
Bolivia ..	65	40	40	20	30	15	45	45	
Botswana ..	1.00	60	55	30	45	30	55	55	
Brazil ..	1.00	60	55	30	45	30	55	55	
British Antartic Territory	1.00	60	55	30	45	30	55	55	
Brunei ..	1.00	60	55	30	45	30	55	55	
Burma ..	1.00	60	55	30	45	30	55	55	
Burundi ..	1.00	60	55	30	45	30	55	55	
Cameroon ..	1.00	60	55	30	45	30	55	55	
Canada ..	60	35	25	15	25	10	40	40	
Canary Islands ..	65	40	40	20	30	15	45	45	
Cape Verde (Rep. of)	1.00	60	55	30	45	30	55	55	
Caroline Islands	60	35	25	15	25	10	40	40	
Cayman Islands ..	60	35	25	15	25	10	40	40	
Central African Empire	1.00	60	55	30	45	30	55	55	
Chad ..	1.00	60	55	30	45	30	55	55	
Chile ..	1.00	60	55	30	45	30	55	55	
China (Peo. Rep. of)	1.00	60	55	30	45	30	55	55	
Christmas Islands (Indian Ocean)	65	40	40	20	30	15	45	45	

Appendix (C) – *Cont'd*

AIR MAIL POSTAGE RATES

PROPOSED RATES

COUNTRY OF DESTINATION	LETTERS		PRINTED PAPERS AND SMALL PACKETS		NEWS-PAPERS AND PERIODICALS		Airforms each	Postcards each	
	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof			
		¢	¢	¢	¢	¢	¢	¢	
Cocos (Keeking) Islands	1.00	60	55	30	45	30	55	55	
Columbia ..	65	40	40	20	30	15	45	45	
Comm. Caribbean Islands	45	20	25	10	20	5	40	40	(Except
Comoros ..	1.00	60	55	30	45	30	55	55	Bahamas
Congo (Peo. Rep.)	1.00	60	55	30	45	30	55	55	Bermuda &
Costa Rica ..	65	40	40	20	30	15	45	45	Cayman
Cuba ..	60	35	25	15	25	10	40	40	Islands)
Cyprus ..	1.00	60	55	30	45	30	55	55	
Dahomey ..	1.00	60	55	30	45	30	55	55	
Djibouti ..	1.00	60	55	30	45	30	55	55	
Dominican Rep. ..	60	35	25	15	25	10	40	40	
Dubai ..	1.00	60	55	30	45	30	55	55	
East Timor ..	1.00	60	55	30	45	30	55	55	
Ecuador ..	65	40	40	20	30	15	45	45	
Egypt ..	1.00	60	55	30	45	30	55	55	
El Salvador ..	65	40	40	20	30	15	45	45	
Equatorial Guinea	1.00	60	55	30	45	30	55	55	
Ethiopia (Including Eritrea) ..	1.00	60	55	30	45	30	55	55	
Europe ..	65	40	40	20	30	15	45	45	(Except
Falklands Islands ..	1.00	60	55	30	45	30	55	55	Cyprus
Fiji ..	1.00	60	55	30	45	30	55	55	& Cape Verde
French Guinea ..	45	20	25	10	20	5	40	40	Rep. of)
French Polynesia ..	1.00	60	55	30	45	30	55	55	
French West Indies	45	20	25	10	20	5	40	40	
Fujairah ..	1.00	60	55	30	45	30	55	55	
Gabon ..	1.00	60	55	30	45	30	55	55	
Gambia ..	1.00	60	55	30	45	30	55	55	
Gha ..	1.00	60	55	30	45	30	55	55	
Greenland ..	65	40	40	20	30	15	45	45	
Guatemala ..	65	40	40	20	30	15	45	45	
Guinea (Rev. Peo. Rep.)	1.00	60	55	30	45	30	55	55	
Guinea Bissau ..	1.00	60	55	30	45	30	55	55	
Guyana ..	45	20	25	10	20	5	40	40	

Appendix (C) – *Cont'd*

AIR MAIL POSTAGE RATES

PROPOSED RATES

COUNTRY OF DESTINATION	LETTERS		PRINTED PAPERS AND SMALL PACKETS		NEWS-PAPERS AND PERIODICALS		Airforms each	Postcards each
	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof		
	$ ¢	¢	¢	¢	¢	¢	¢	¢
Haiti ..	60	35	25	15	25	10	40	40
Honduras (Rep. of)	60	35	25	15	25	10	40	40
Hong Kong ..	1.00	60	55	30	45	30	55	55
Iceland ..	65	40	40	20	30	15	45	45
India ..	1.00	60	55	30	45	30	55	55
Indonesia ..	1.00	60	55	30	45	30	55	55
Iran ..	1.00	60	55	30	45	30	55	55
Iraq ..	1.00	60	55	30	45	30	55	55
Israel ..	1.00	60	55	30	45	30	55	55
Ivory Coast ..	1.00	60	55	30	45	30	55	55
Japan ..	1.00	60	55	30	45	30	55	55
Jordan ..	1.00	60	55	30	45	30	55	55
Kampuchea (form. Cambodia) ..	1.00	60	55	30	45	30	55	55
Kenya ..	1.00	60	55	30	45	30	55	55
Kiribati (form. Gilbert Islands)	1.00	60	55	30	45	30	55	55
Korea ..	1.00	60	55	30	45	30	55	55
Kuwait ..	1.00	60	55	30	45	30	55	55
Lao (Peo. Dem. Rep.)	1.00	60	55	30	45	30	55	55
Lebanon ..	1.00	60	55	30	45	30	55	55
Lesotho ..	1.00	60	55	30	45	30	55	55
Liberia (Rep. of) ..	1.00	60	55	30	45	30	55	55
Libyan Arab Rep.	65	40	40	20	30	15	45	45
Macao ..	1.00	60	55	30	45	30	55	55
Macias Nguema Biyogo	See EQUATORIAL GUINEA							
Madagascar ..	1.00	60	55	30	45	30	55	55
Madeira ..	65	40	40	20	30	15	45	45
Malawi ..	1.00	60	55	30	45	30	55	55
Malaya ..	1.00	60	55	30	45	30	55	55
Maldives ..	1.00	60	55	30	45	30	55	55
Mali ..	1.00	60	55	30	45	30	55	55
Mariana Islands ..	60	35	25	15	25	10	40	40
Marquesas Islands ..	See FRENCH POLYNESIA							

Appendix (C) – *Cont'd*

AIRMAIL POSTAGE RATES

PROPOSED RATES

COUNTRY OF DESTINATION	LETTERS		PRINTED PAPERS AND SMALL PACKETS		NEWS-PAPERS AND PERIODICALS		Airforms each	Postcards of	
	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof			
	$ ¢	¢	¢	¢	¢	¢	¢	¢	
Marshall Islands ..	60	35	25	15	25	10	40	40	
Mauritania ..	1.00	60	55	30	45	30	55	55	
Mauritius ..	1.00	60	55	30	45	30	55	55	
Mexico ..	60	35	25	15	25	10	40	40	
Mongolia ..	1.00	60	55	30	45	30	55	55	
Morocco ..	65	40	40	20	30	15	45	45	
Mozambique ..	1.00	60	55	30	45	30	55	55	
Muscat & Oman ..		See OMAN (SULTANATE OF)							
Namibia ..	1.00	60	55	30	45	30	55	55	(South West
Nauru Island ..	1.00	60	55	30	45	30	55	55	Africa)
Nepal ..	1.00	60	55	30	45	30	55	55	
Netherlands (Antilles)	45	20	25	10	20	5	40	40	Curacao,
New Caledonia ..	1.00	60	55	30	45	30	55	55	Bonaire,
New Hebrides ..	1.00	60	55	30	45	30	55	55	Aruba
New Zealand ..	1.00	60	55	30	45	30	55	55	St. Marteen
New Zealand Island Territories .. (Incl. Cook Islands)	1.00	60	55	30	45	30	55	55	St. Eustatius, Saba
Nicaragua ..	65	40	40	20	30	15	45	45	
Nigeria ..	1.00	60	55	30	45	30	55	55	
Niger Republic ..	1.00	60	55	30	45	30	55	55	
Norfolk Island ..	1.00	60	55	30	45	30	55	55	
Oman (Sultanate of)	1.00	60	55	30	45	30	55	55	
Pakistan ..	1.00	60	55	30	45	30	55	55	
Panama (Rep. of)	65	40	40	20	30	15	45	45	
Panama Canal Zone	60	35	25	15	25	10	40	40	
Papua New Guinea	1.00	60	55	30	45	30	55	55	
Paraguay ..	1.00	60	55	30	45	30	55	55	
Peru ..	65	40	40	20	30	15	45	45	
Philippines ..	1.00	60	55	30	45	30	55	55	
Pitcairn Islands ..	1.00	60	55	30	45	30	55	55	
Puerto Rico ..	60	35	25	15	25	10	40	40	
Qatar (State of)	1.00	60	55	30	45	30	55	55	
Ras Al Khaimah ..	1.00	60	55	30	45	30	55	55	
Reunion ..	1.00	60	55	30	45	30	55	55	

Appendix (C) – *Cont'd*

AIRMAIL POSTAGE RATES

PROPOSED RATES

COUNTRY OF DESTINATION	LETTERS		PRINTED PAPERS AND SMALL PACKETS		NEWS-PAPERS AND PERIODICALS		Airfoms each	Postcards of
	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after of part thereof	Not over 10g	Each 10g after or part thereof		
	$ ¢	¢	¢	¢	¢	¢	¢	¢
Rwanda ..	1.00	60	55	30	45	30	55	55
Sabah ..	1.00	60	55	30	45	30	55	55
St. Helena ..	1.00	60	55	30	45	30	55	55
St. Pierre & Miquelon	60	35	25	15	25	10	40	40
Samoa ..	1.00	60	55	30	45	30	55	55
Santa Cruz Islands	See SOLOMON ISLANDS							
Sao Tome & Principe	1.00	60	55	30	45	30	55	55
Sarawak ..	1.00	60	55	30	45	30	55	55
Saudi Arabia ..	1.00	60	55	30	45	30	55	55
Senegal ..	1.00	60	55	30	45	30	55	55
Seychelles ..	1.00	60	55	30	45	30	55	55
Sharjah ..	1.00	60	55	30	45	30	55	55
Sierra Leone ..	1.00	60	55	30	45	30	55	55
Singapore (Rep. of)	1.00	60	55	30	45	30	55	55
Society Islands ..	See FRENCH POLYNESIA							
Solomon Islands ..	1.00	60	55	30	45	30	55	55
Somali Dem. Rep.	1.00	60	55	30	45	30	55	55
South Africa ..	1.00	60	55	30	45	30	55	55
Spanish Territories of N. Africa ..	1.00	60	55	30	45	30	55	55
Sri Lanka ..	1.00	60	55	30	45	30	55	55
Sudan (Dem. Rep.)	1.00	60	55	30	45	30	55	55
Suriname (Rep. of)	60	35	25	15	25	10	40	40
Swaziland ..	1.00	60	55	30	45	30	55	55
Syrian Arab Rep.	1.00	60	55	30	45	30	55	55
Taiwan (Formosa)	1.00	60	55	30	45	30	55	55
Tangier ..	See MOROCCO							
Tanzania ..	1.00	60	55	30	45	30	55	55
Thailand ..	1.00	60	55	30	45	30	55	55
Tibet ..	1.00	60	55	30	45	30	55	55
Togo (Rep. of) ..	1.00	60	55	30	45	30	55	55
Tonga (Friendly Island)	1.00	60	55	30	45	30	55	55
Tortola (B.V.I.) ..	45	20	25	10	20	5	40	40
Tristan Da Cunha	1.00	60	55	30	45	30	55	55
Tunisia ..	65	40	40	20	30	15	45	45

Appendix (C) – *Concluded*

AIRMAIL POSTAGE RATES

PROPOSED RATES

COUNTRY OF DESTINATION	LETTERS		PRINTED PAPERS AND SMALL PACKETS		NEWS-PAPERS AND PERIODICALS		Airforms each	Postcards of	
	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof	Not over 10g	Each 10g after or part thereof			
	$ ¢	¢	¢	¢	¢	¢	¢	¢	
Turkey ..	65	40	40	20	30	15	45	45	
Tuvalu (Formerly Ellice Is.) ..	1.00	60	55	30	45	30	55	55	
Uganda ..	1.00	60	55	30	45	30	55	55	
Umm Al Qaiwain ..	1.00	60	55	30	45	30	55	55	
U.S.S.R. (Russia) ..	65	40	40	20	30	15	45	45	
U.S.A. ..	60	35	25	15	25	10	40	40	
Upper Volta ..	1.00	60	55	30	45	30	55	55	
Uruguay ..	1.00	60	55	30	45	30	55	55	
Venezuela ..	45	20	25	10	20	5	40	40	
Vietnam ..	1.00	60	55	30	45	30	55	55	
Virgin Island (U.S.)	45	20	25	10	20	5	40	40	
Wake Island ..	1.00	60	55	30	45	30	55	55	
Western Samoa ..	1.00	60	55	30	45	30	55	55	
Yemen (Arab Rep.)	1.00	60	55	30	45	30	55	55	
Yemen (Peo. Dem. Rep.)	1.00	60	55	30	45	30	55	55	
Zaire ..	1.00	60	55	30	45	30	55	55	
Zambia ..	1.00	60	55	30	45	30	55	55	
Zimbabwe (Formerly Rhodesia) ..	1.00	60	55	30	45	30	55	55	

Appendix (D)

SURFACE PARCEL POST RATES

Proposed Rates

		1 Kg	3 Kg	5 Kg	10 Kg
GUYANA		$			
Barbados Terminal Credit		5.52	7.09	8.28	9.46
Airlift to Guyana		.22	.66	1.10	2.20
Guyana Terminal Credit		6.95	8.47	10.40	12.76
	Total	12.69	16.22	19.78	24.42
Proposed rates		$12.70	16.25	19.80	24.45
Present rates		$ 9.50	12.15	14.95	18.45
U.K. (GREAT BRITAIN)					
Barbados Terminal Credit		$ 5.52	7.09	8.28	9.46
Sea Conveyance to U.K.		.43	1.14	2.01	3.59
U.K. Terminal Credit		10.08M	12.57	15.36	18.91
	Total	16.03	20.80	25.65	31.96
Proposed Rates		$16.00	20.80	25.65	32.00
Present Rates		$14.65	19.05	23.60	29.35
MARTINIQUE & GUADELOUPE (DIRECT)					
Barbados Terminal Credit		5.52	7.09	8.28	9.46
Sea Conveyance		.35	.83	1.69	3.15
Terminal Credit		7.23	7.96	9.41	11.58
	Total	13.10	15.88	19.38	24.19
Proposed Rates		$13.10	15.90	19.40	24.20
Present Rates		$11.95	14.55	17.80	22.30

Appendix D – *Cont'd*

SURFACE POSTAGE RATES

Class of Correspondence		*Present Rates*	*Proposed Rates*
		$ ¢	$ ¢
LETTERS			
Weight not over	20 g	35	40
	100 g	85	1.00
	250 g	1.70	1.95
	500 g	3.25	3.70
	1 000 g	5.70	6.50
	2 000 g	9.20	10.50
POSTCARDS		25	25
PRINTED PAPERS (Full Rate)			
Weight not over	20 g	20	25
	100 g	40	50
	250 g	70	80
	500 g	1.30	1.50
	1 000 g	2.15	2.50
	2 000 g	3.00	3.45
	3 000 g	4.50	5.15
	4 000 g	6.00	6.90
	5 000 g	7.50	8.60
PRINTED PAPERS (Reduced Rate) (Newspapers & Periodicals only)			
Weight not over	20 g	10	12
	100 g	20	25
	250 g	35	40
	500 g	65	1.00
	1 000 g	1.10	1.30
	2 000 g	1.50	1.75
PRINTED PAPERS (BULK POST BAGS)			
For every	1 000 g or part	2.15	2.50
NEWSPAPERS & PERIODICALS (Bulk post bags)			
For every	1 000 g or part	1.00	1.25

Appendix D – *Concl'd*

SURFACE POSTAGE RATES

Class of Correspondence		*Present Rates*	*Proposed Rates*
LITERATURE FOR THE BLIND (Cecogrammes)		$ ¢	$ ¢
SMALL PACKETS			
Weight not over	100 g	40	50
	250 g	70	80
	500 g	1.30	1.50
	1 000 g	2.15	2.50
REGISTRATION FEE			
(a) Single items		1.20	1.25
(b) Bulk post bags		6.25	6.25
REPLY COUPONS		1.20	1.20

Appendix II

By a Company having a Share Capital	*Present* $	*Proposed* $
For registration of a Company		
(a) whose nominal share capital does not exceed $200 000	625	1 000
(b) whose nominal share capital exceeds $200 000 but does not exceed $500 000	1 250	2 500
(c) whose nominal share capital exceeds $500 000	¼ of 1% of the share capital but in no case is the fee to exceed $18 750	½ of 1% but in no case is the fee to exceed 50 000
For the registration of an increase in share capital, made after registration of the nominal share capital, the fee payable is to be determined *pari passu* in accordance with the fees specified in paragraph 1.		
For registering any document by this Act required or authorised to be registered, other than the memorandum or the abstract required to be filed with the Registrar by a receiver or manager or the statement required to be sent to the Registrar by the liquidator in a winding-up	25	50
For making a record of any fact by this Act required or authorised to be recorded by the Registrar	10	25
By a Company not having a Share Capital		
For registration of a company whose number of members as stated in the articles does not exceed 20	100	250
For registration of a company whose number of members as stated in the articles exceeds 20, but does not exceed 100	250	500

Appendix II – *Cont'd*

By a Company not having a Share Capital	*Present* $	*Proposed* $
For registration of a company whose number of members as stated in the articles exceeds 100 but is not stated to be unlimited	$250 (and a further fee of $10 for every 50 members or part thereof)	$500 (and a further fee of $25 for every 50 members or part thereof)
For registration of a company in which the number of members is stated in the articles to be unlimited	1 000	2 500
For registration of any increase on the number of members made after the registration of the company in respect of every 50 members, or less than 50 members of that increase	10	25
For registration of any document by this Act required or authorised to be registered, other than the memorandum or the abstract required to be filed with the Registrar by a receiver or manager or the statement required to be sent to the Registrar by the liquidator in a winding-up	10	25
For making a record of any fact by this Act required or authorised to be recorded by the Registrar	10	25
By a Company Established Outside Barbados		
For filing documents required to be filed by section 221(1) and (3)		
(a) where the share capital does not exceed $200 000	1 250	2 500
(b) where the share capital exceeds $200 000 but does not exceed $500 000	2 500	5 000
(c) where the share capital exceeds $500 000 ..... ½ of 1% of the share capital but in no case is the fee to exceed	37 500	100 000
(d) where the share capital is not divided into shares of a fixed value and for which a fee cannot otherwise be determined under this Act	37 500	50 000

Appendix II – *Concl'd*

By a Company Established Outside Barbados	*Present* $	*Proposed* $
For filing a statement in the form of a balance sheet required to be filed by section 221(3)	100	250
For filing all other documents	25	50

N.B. All other fees remain at their existing level.

GOVERNMENT NOTICES

Rt. Hon. J. M. G. M. ADAMS: Mr. Deputy Speaker, I beg to give notice of the following Resolution and formally to move its passage:

WHEREAS the international economic recession has placed severe pressure on the economy of Barbados during the last two years,

AND WHEREAS, despite the difficulties, the Government by its policies during the past year has been able to contain unemployment, reduce the rate of inflation and improve the public finances,

AND WHEREAS the Government has taken initiatives in preparing new development for Barbados, including measures to promote housing, industry and highway infrastructure,

BE IT RESOLVED that this House commends the Government on its initiatives, approves its economic and monetary strategies and endorses the 1983 Budgetary Proposals.

I beg to move that this Resolution do now pass.

Hon. H. B. St. JOHN: Mr. Deputy Speaker, I beg to second that Resolution and reserve my right to speak in accordance with the Resolution passed.

Rt. Hon. J. M. G. M. ADAMS: Mr. Deputy Speaker, I have other notices to give. I beg to give notice of the following:

A Bill to amend the Land Tax Act in order to implement the Budgetary Proposals relating to land tax which I have just made.

A Resolution to grant the sum of $6,800,000 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1983–84 Current as shown in the Supplementary Estimates, 1983–84, No. 1 which form the Schedule to the Resolution.

This is a Resolution to supplement public service and all other salaries paid from the Public Treasury.

BILLS READ A FIRST TIME

On motion of Rt. Hon. J. M. G. M. ADAMS, seconded by Hon. H. B. St. JOHN, a Bill to amend the Land Tax Act was read a first time.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Deputy Speaker, this brings us to the end of this evening's business on the Government side.

I beg to move that this sitting be now suspended until 3.45 p.m. tomorrow, Thursday, April 28, 1983.

I would like to assure the chief spokesman on the other side on financial matters that whatever facilities have been made available this evening are going to be made available to Members on that side.

Hon. H. B. St. JOHN: I beg to second that.

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

On Resumption:–

Mr. DEPUTY SPEAKER: This sitting is now resumed.

SUSPENSION OF SITTING

Hon. L. S. CRAIG (St. James North): Mr. Deputy Speaker, there appears to be a request of the Member for St. Michael South Central (Dr. R. C. Haynes) that he should start his reply to the Budgetary Proposals at 3.58. We on this side have no objection. In that light, I would therefore beg to move that the sitting be now suspended until 3.57 p.m., Sir.

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

Dr. R. C. HAYNES (St. Michael South Central): Mr. Deputy Speaker, it is certainly not a request on my part. I just drew to the attention of the honourable Leader of the House that, according to the Resolution under which this debate is taking place, I start at the same time as the honourable Prime Minister started yesterday. I am just trying to observe the Resolution under which this debate is being conducted, it is not a special request on my part. I ask no quarters, I give none.

Hon. L. S. CRAIG: Sir, that is exactly what I did, and I see no reason for the honourable Member for St. Michael South Central to concern himself with anything.

I beg to move that the sitting be now suspended until 3.57, Sir.

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

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

On Resumption:-

Mr. DEPUTY SPEAKER: This sitting is now resumed. The honourable Member for St. Michael South Central.

Dr. R. C. HAYNES (St. Michael South Central): Mr. Deputy Speaker, once again the honour is mine on behalf of the Democratic Labour Party to respond to the financial statements and budgetary proposals of the Minister of Finance.

On this occasion, it is my understanding that, under the new dispensation of the Resolution under which this debate is being conducted, my speech shall be limited to one hour and 42 minutes, and that I will not be able to take any further part in the debate, since I cannot speak even if an amendment is made to the motion by me. I am prepared to abide by that situation and shall try to do my best on behalf of the people of Barbados, as I have endeavoured to since I have entered public life.

It is my considered judgment, Sir, after studying the Budgetary Proposals and the Financial Statement yesterday, that it was an insult to this nation and constituted nothing more than a further reinforcement of a fiscal programme, which the Government has to implement under the Stand-by arrangement with the International Monetary Fund which it took this country into.

The people of Barbados are very concerned that at a time when tourism is in a state of chaos; at a time when the sugar industry is in major trouble; at a time when the manufacturing sector is facing major difficulties; at a time when people are losing their jobs every day; when the workers of this country are subjected to the iniquitous policy of wages suppression; at a time of serious contraction in the economy; at a time, Sir, when there are serious problems in public and private housing; at a time when the country is reeling from the effects of high interest rates, credit unavailability and excessive taxation; when workers and their representatives are being subjected to the most unusual harassment; at a time when the society is seeing the deleterious effects of gambling, illicit drugs and crime; at a time when the standard of living of each and every one of us is falling from day to day; when real incomes are declining; when the cost of public utilities – water, gas and electricity – have risen to a point when they are causing considerable difficulties to all classes of persons in this country; when there is clear evidence of widespread corruption; when there is evidence of gross mismanagement of the economy; when the country is facing the problems of chronic insolvency; when there has been massive wastage of public funds; when the public debt and the public guaranteed debt is now approaching the level of $1 billion this year; when the cost of living is such that every person in Barbados, irrespective of his economic grouping, is heard complaining from day to day; when we have the political directorate of this country clearly divided at the top, in the middle and at the bottom; when hunger and deprivation affect many of our citizens; when indeed we have abandoned the sovereignty in the management of our economic affairs to the International Monetary Fund; when the whole economy is in shambles, and the people want to know what is going on; yet the honourable Prime Minister has not found it possible in his Budget to respond to these important areas.

Indeed, Sir, if you were to examine that Budget, what do you see? You will see talk about the International situation. And the general impression that comes across is that we are not only financially insolvent, but we are intellectually bankrupt, we have nothing to offer the country, and we will just sit and wait there and see what happens in the outside world.

What have you been holding back for? Are we going to be subjected this year to the kind of revenue impositions which have taken place in Barbados since September 1981, when there has been a continuous spate of taxation in Budget time and out of Budget time?

I feel it is unfortunate that we have slipped into that bad habit, because people should know – and this is the importance of a Budget, to give the people confidence – exactly what taxes they will have to pay during the next fiscal year. We have slipped out of this and have slipped into the bad habit of raising taxes all year round in Barbados.

Yesterday we saw some tax relief for higher income groups, we saw some tax relief for people who will be purchasing motor cars, probably between $27 000 and $34 000 or thereabout. That is the retail price of those motor cars. On the other hand, Sir, the population as a whole has been soaked with other taxation, for example, a Health Levy of $8 million, when indeed, up to now, no decision has been taken as to how the $8 million collected last year will be utilised, whether it will be transferred to the Ministry or what will be done with it.

We are certainly getting a free National Health Service! And now we have $16 million – this is the free National Health Service – so far in health levies, and, on top of that, increased costs for every single service offered by the Government at the Queen Elizabeth Hospital, whether it be X-Rays, drugs, medicines, no matter what is is.

Then, Sir, we have another $8 million! Sweet drinks prices following an increase in the price of sugar, a rather surreptitious way of offering a partial price support to the

sugar industry this year. On top of that, there is now a 5% Consumption Tax.

We have had further increases for licences on public utilities, which will eventually increase the cost of those utilities somewhere along the road, because they will be assessed in their revenue requirements when it comes to determining the rates.

We have had the remarkable situation where there was a $5 million or so imposition in taxes to maintain the price of gasolene, instead of passing on the reduced prices to the public, in order to maintain an investment subsequent to the purchase of assets of Mobil (Barbados) Exploration Limited, which is one of the worst deals this Government has ever entered into.
4.10 p.m.

The IMF had informed the Government that Mobil had intended to close down all its non-US based small oil operations. Mobil was trying to sell its assets here in Barbados and could not find a buyer. The best offer they got was $2.5 million from a company in New Jersey.

The Government, through the Barbados National Bank tried to raise the money from the Morgan Guaranty Trust Company. But that particular trust company at the time, in conjunction with Wharton Econometrics, a well-known institution in the United States, was conducting a study on the movement of oil prices, and Morgan Guaranty Trust Company decided that it would not be a viable investment. But the Government went ahead and got an offshore loan for $13 million, from what I saw in the Resolution before the House at that time! And, believe it or not, that loan was organized by Mobil itself to off-load that particular asset on to the Government of Barbados through the offshore banking system!

Mr. Deputy Speaker, it is almost incredible that that kind of thing could have taken place in Barbados. Because when Mobil was pressing the Government to ensure that the deal was closed by the end of December, there is clear evidence, which has now been published in several United States journals, that Mobil, along with Exxon, and Chevron, in early December was sitting down with the OPEC Oil Ministers negotiating the fall of oil prices. They knew that the price of oil would have fallen to a level which would have made this operation, and other similar operations, no longer viable. And indeed, Sir, on the horizon you can anticipate that many of the small refineries in the West Indies will probably close down over the years, with the exception of the one in Curacao or Aruba, I am not quite sure which one.

We had increases of the licence fees on televisions. We have had taxes on airline tickets and an increase in the departure tax. We have had an increase on postal charges and we have had a further levy on agricultural land.

Now, let me say that whilst it is desirable, of course, that all available agricultural land should be put to productive use, the harsh facts that we have to face in Barbados today are that many people, when they try to put their land into agricultural use, make a loss at the end of the day – and they are not many people who can continue to put their lands into production and make a loss.

Clearly we have a situation where you have to pay a tax if you do not put your land into production; and if you cannot afford to put your land into production, what is going to happen to you?

It would seem to me, Sir, that what you need is a positive tax inducement for people to get into agricultural production, and it is my considered judgement that this kind of legislation is likely to be confiscatory of the capital of people. I go further, Sir, and say that I believe that there may well be grounds to question the constitutionality of this kind of levy on properties in Barbados.

The next area, Sir, of impositions is the 75 cents bus fares. Recently during the Estimates Debate, when I said that the former Minister of Transport was moved from that portfolio because he would not agree to an increase in bus fares, that was denied on the Floor of this House. A few weeks later, the exact amount of 75 cents now appears here in the Budget!

There is another major problem and this needs clarification. I think that something seems to be wrong in the wording in the Budget on the new arrangements for severance payments. We on this side would like to know whether or not it means that the Government is dropping the proposals that it made in relation to severance payment, limiting it to $25 000; that is, all persons who have been dismissed or lost their jobs through no fault of theirs, up to yesterday or whenever this becomes law, will get their severance payments under the old provisions, but anyone else – after it becomes law – will function under the new provisions. I would like to know about that, because there is certainly a considerable amount of confusion in the public's mind on that particular matter.

As I said, Sir, the Budget could hardly be regarded as a Budget. We have had this sort of tax situation levied in here from time to time, without any Budget, over a period of weeks or so. It would seem to me that the Hon. Prime Minister has nothing to offer the country and that we are only going through this exercise at the present moment because it is a habit to have an annual Budget, because there was nothing stated yesterday that dealt

with the problems facing the economy of this country; nothing whatsoever.

But, Sir, in respect of the severance payments, I would like to point out that persons earning about $400 a week for over 20 years and would normally get a severance payment of some $32 000, by the time you have slapped 30 per cent tax on that, you will realize the extent to which that person will be deprived, if I understand those recommendations correctly.

Persons who are earning $600 a week, and now have 20 years of work, they would normally get about $48 000, and they would also lose 30 per cent in taxes. Persons who are earning $800 a week over a 20 year period, or certainly during the qualifying period, will be subjected to a 50 per cent tax.

Asides.

Dr. R. C. HAYNES: Precisely, on the excess that is what I am talking about. So I just want a clarification on that. You are talking on the excess according to the Budgetary Proposals.

Sir, I think it is important that we should look at those fiscal measures clearly in the context of what has been happening in Barbados. Those tax measures certainly would accord with the general principle of taxation which this Government has been following. They are required to reduce the fiscal deficit by a given amount this year and next year, and indeed, Sir, when you look at the kind of programme that they have introduced in Barbados for taxation, it is almost incredible.

That area of non-tax revenue – and these are things that people pay for daily when they come in contact with Government services has increased from $18.9 million in 1976 to about $65 million now.
4.20 p.m.

Property taxes have gone up from $8.6 million in 1976 to about $28.2 million, and with the new harassment that has taken place will probably be up another $2 million this year.

In addition, Sir, if you look at the combined Sales Tax and Consumption Taxes, in 1975–76 it yielded $15.2 million and the Consumption Taxes alone this year will yield about $90 million, and when you add to that another $18.2 million plus now another $7 million in Stamp Duties that have been imposed in this Budget, then you are talking about another $25 million – and that Stamp Duty is charged on food and medicines.

These taxes are direct taxes on the poor people of this country. They also have an important effect of shifting the tax burden away from those who have to those who do not have, and they also have the important effect of pushing up prices way beyond the amount of tax generated as a consequence of the imposition.

When you look, Sir, at the situation in relation to Barbados, it is but fair to say that the taxable capacity of this country has been exhausted by the present Administration. This is reflected in the fact that although you are getting more and more tax imposts, nevertheless, as the Hon. Prime Minister indicated yesterday, he is not getting the kind of revenue returns which he would have anticipated.

You have the National Insurance levies, which will now be up to 8 per cent for employers and 8 per cent for employees, Income Tax on top of that, Consumption Tax, Stamp Duties, non-tax impositions, plus a loss of all deductibility of several areas of taxation that were there before.

Mr. Deputy Speaker, it is unbelievable that since this Government has come to power it will have collected some $2.8 billion in revenue during the period 1977 to 1984, as compared to $900 million under the previous Administration between 1971 and 1977, and yet they have been able to build up a National Debt of nearly $1 billion, increasing it by almost $800 million, running overall deficits on an average of $100 million a year since they came into power.

And we ask ourselves, where has all the money gone? What have we got to show for it? Why are we now in the hands of the IMF? Have real incomes improved? What is happening to the social services? What is happening to our roads? What is happening to our transport system? What is happening to our health services? What is happening to our housing programme? What is happening to the sugar industry? What is happening to the Barbados National Bank, which cannot produce audited financial accounts since the year 1980? What is happening in tourism? What is happening to the statutory boards in Barbados despite all the revenue? We do not know where it has gone to!

Indeed, Sir, I have looked very carefully and I have charted what they call tax relief; and if you look very carefully, you will see the red line would indicate Income Tax. When you look at the Consumption Taxes, you will see the way they have risen from $10 million to over $80 million. When you look at the Corporation Taxes, you will see how they have risen over the past years. When you look at the Property Taxes, you will see how they have risen from under $10 million to $28 million. That is tax relief under the Barbados Labour Party.

But I am not surprised, because when you look at the expenditure patterns of Government, you see massive wastage on defence and security, wastage on Ilaro Court,

wastage on themselves in salaries and travel, wastage on CARIFESTA.

Mr. Deputy Speaker, you would not believe that we will have spent $435 million in Charges of Debt since the Barbados Labour Party came to power, that is, up to the end of fiscal year 1983–84. When you consider all the wastages, over-runs on all the capital projects, then you begin to realise what has happened.

Let us see how they allocate their priorities. I have done a graph here dealing with spending on defence and spending on agriculture, and indeed you will see that the red line shows a dramatic rise in the spending on defence, and you will notice how the spending on agriculture has been controlled. It is a question of whether you want guns or food, and it is my considered judgment, Sir, that we should be putting more priority on food rather than on guns.

The Hon. Member for St. Thomas (Rt. Hon. J. M. G. M. Adams) has quoted in this House on at least one occasion that butter makes you fat, and bullets make you strong, or words to that effect. We on this side do not believe in that.

Now, Sir, let us look at the fiscal deficit. The fiscal deficit in this country, as I said, was averaging over $100 million per year, despite the $2.8 billion in revenue during that period. This, Sir, is reflected in the National Debt; it is reflected in our Debt Charges, it is reflected in our external borrowings and indeed, Sir, that is one of the reasons why the new Mexican Government, as one of its first acts, fired all those half-baked economists, who qualified in Oxford and Cambridge in the Fifties, and replaced them with economists from Cambridge, Massachusetts – not that they have any economists in this House apart from the Hon. Member for St. John (Rt. Hon. E. W. Barrow).

Sir, I go further and I say that those deficits have been largely financed domestically by excessive accommodation by the Central Bank, resulting at one stage in the printing of money. If you look very carefully at this graph that I have in front of me here, Sir, you will see that the red line, which shows how that deficit has risen over the years, will show very clearly how the capital programmes were held back in 1979 and then how they were all brought on stream for political purposes.

In the meantime, the black line will show the extent of accommodation of Government by the Central Bank, of $172 million, and at least $80 million of that represents printed money, and that is further reflected in the interest on borrowings that we have had to pay. In other words, our interest on borrowings has gone from $13 million per year to $93 million per year during that particular period.

Similarly, Sir, the same trend continues in the public debt. At December 1976 the total public debt in Barbados was $258 million; the domestic debt was $203 million and the foreign debt $50 million. Mr. Deputy Speaker, do you know what it is now? According to the Central Bank, the external debt was $286.9 million at the end of December; the domestic debt was $473 million and the total debt $760 million.

But, Sir, there is a snag. The Central Bank's statistics do not provide for the public guaranteed debt, and most of our guaranteed debt in Barbados, apart from, say, the debt guaranteed to the Barbados Light and Power Company, would be debt guaranteed to totally owned subsidiaries of Government, or to financial institutions where Government would be the only shareholder.

If you were to look at the projections of the International Monetary Fund, you will find that our external debt, public debt and public guaranteed debt would rise to about $600 million this year, and the latest revision, which took place two weeks ago, due to the fall in sugar earnings and the anticipated decline in export earnings from tourism, suggest that it will go far above $620 million.

4.30 p.m.

That does not take into account the borrowings from the Central Bank of Barbados either, because the Central Bank of Barbados, for the first time in its history, in 1981, and again in 1982, was called upon to draw down on its lines of credit with other external banks.

But, Sir, the grave danger – and I have argued this again and again in this Hon. House – is that it is very dangerous to go on borrowing money in a small, open economy like Barbados, and relate your debt service to export earnings. It is very dangerous.

I have been told again and again that I do not know what I was saying. But if you look in the World Bank Report of 1982, and you look in the Minutes of the International Monetary Fund, whether it be Article IV, Consultation, or any beyond that, you would find that they make the specific statement, that in these open economies where you can have marked fluctuations in your export earnings, then that index of debt service to exports does not fully express the vulnerability of the economy to external influences. That is the very important point you have to make.

So we find ourselves now in a position where our credit worthiness has been challenged, because it has been established that our foreign debt, both public and public guarantee debt, was far in excess of that of most small,

non-oil producing, developing countries as early as 1981 – and the situation would obviously have worsened. That is the debt in relation to Gross Domestic Product.

But it is not only that, Sir. If you look at the structure of our debt, there is one thing that worries me very much; that is, we see a rise in borrowings from institutions from $400 000 to $121 million in December, 1982, and that would have gone up further now. The amount we are borrowing from the World Bank would have gone up further, gone up considerably.

The problem there is that when you borrow from those institutions, you are not only borrowing money – that money brings with it decisive influences on your domestic policy, as you can see, in relation to electricity, to other aspects of energy and, indeed, in relation to agricultural pricing and so on.

Sir, we have never questioned the fact that Government needs to have a capital programme. All that we have said is that the programmes have to be properly organised, they have to be properly phased, and there has to be a proper mix of programmes so that you have some that would earn foreign exchange in the short term, some that would earn foreign exchange in the medium term, and some that would earn foreign exchange in the long term.

As it stands now, Sir, we are in the debt trap. There is no question about it. There is clear evidence, from the work done by experts in the International Monetary Fund, showing that if you were to look at that green line at the bottom, that our foreign debt would be up to $600 000 000. That is the green line at the bottom.

Then, and this is the next problem, Sir, you will notice the dotted green line and that dotted green line is where the debt has been brought into proper alignment by including the public guarantee debt. This is what we are talking about.

The next item, Sir, is the total national debt. The total national debt will now be about $850 million, according to conventional accounting. But when you add the public guaranteed debt, you see it goes off the graph, over $950 million, about $1 billion. That is the situation you have.

Because of the time, Sir, we will have to try and deal with as many matters as we can.

(Hon. L. S. CRAIG: Man, go along.)

Laughter.

Dr. R. C. HAYNES: In the tourist area, Sir, everybody knows that tourism is in a state of crisis today. But the kind of percentages that you see reported in the Press do not fully reflect what is happening in the tourist area. In 1979, we attracted 370 960 visitors to our shores. In 1982, we attracted 303 778. That is a drop of 67 000 persons!

If you were to multiply that by seven or eight, you will realise the number of days lost, in terms of tourism. The bed occupancy rate, Sir, has dropped from 76.4% to 49%, whilst the bed availability has risen from 11.4 thousand to over 14.4 thousand.

In the meantime, credit to the industry has gone from 60 million to $125 million. That, Sir, is a very serious matter. That kind of planning is what has resulted in the upward movement of prices domestically in relation to the tourist industry. There are other factors as well. But indeed, Sir, it would be a very serious error for us to think that the tourist problems in Barbados are due to overseas factors.

I believe that the only valid point made in the letter written by the Rt. Hon. Prime Minister to the Director of Tourism – however improper that letter was – was that we have serious domestic problems in relation to the tourist industry. And indeed, if the Deputy Prime Minister (Hon. H. B. St. John) had any respect for his constituents, he would not have remained in office after that letter was written.

(Hon. H. B. St. JOHN: I am going to handle you.)

Dr. R. C. HAYNES: Now, Sir, the Dominican Republic recorded an increase in visitors during 1982; St. Maarten, an increase in visitors; Guadeloupe, an increase in visitors; Jamaica, an increase in visitors; Martinique, an increase in visitors; Antigua, Aruba, the Bahamas, the US Virgin Islands all held their own or showed an increase.

In fact, the only Caribbean country that did worse than Barbados during 1982 was Curacao. Are we to be proud of that? Are we to be proud of that when we know that north to north tourism, north to south tourism, south to south tourism and world tourism on the whole increased in 1982, and when we know that regional tourism increased in 1982?

It would seem to me, Sir, that something is fundamentally wrong in the tourist industry. Recently – and I do not intend to traverse that ground at the moment – but when you sit down, as I did, and plot out exactly what went wrong in tourism, and if you look at the period 1976–1979, and you watch that green line, that green line, Sir, shows the rise in the number of tourists. The dotted red line shows an increase in the number of beds available, responding to demand in other words. The black line shows the occupancy rate and you

see how it rose in parallel. The red line at the bottom shows how credit increased only in relation to meet the increasing demands in the industry.

Now, where you see that red line, that is where you started to go wrong, and that was when there was a need for decision-making in the tourist industry. That is why I have always argued that the problem resides in the Ministry of Tourism and in the Ministry of Finance, because what do you see here? You see rooms continuing to rise. You see number of visitors falling. Naturally, you see credit rising and you see occupancy rates falling. And indeed, Sir, the occupancy rates that we enjoyed last year in the hotel industry were lower than the average for the period 1973–1976. Believe it or not!
4.40 p.m.

That is the hotel room occupancy as distinct from the hotel bed occupancy. There is a slight difference between the two.

Sir, this is disastrous planning. The only way that this can be corrected, according to my estimates, is if we can attract about an additional 85 000 visitors a year to Barbados over the next three years – at 1980 prices. This is according to my calculations. Indeed, Sir, if you look at that very carefully, you would realise that those who believe in private enterprise, and believe in the capitalist system, would recognise that the usual way this kind of problem is solved is through the bankruptcy route. That is how it is solved in the United States.

Those people who opposed my suggestion in 1981, that we should look at prices carefully in the hotel industry, should ask themselves now, if they really believe in the free enterprise system, are we going to allow an industry to collapse through the bankruptcy route, or are you going to rely on Government to find ways and means to assist the industry?

I would say that if there was a proper use of the Fiscal Incentives legislation in Barbados, if there were proper directions given to the Barbados Development Bank, and proper directions given to Town and Country Planning, and also if there was proper attention paid to the allocation of credit within the system in Barbados, then the tourist industry would never be in the state in which it is today.

These are the basic economic problems in the industry as outlined there. There are many other problems that are probably equally important, such as attitudes of persons to the visitor, questions of crime and various other factors. That is the economic situation that I have just demonstrated there in relation to the industry.

I will say, Sir, that it is very important to look at the taxation that is being imposed on the industry, and also to look at the product that we are marketing. The question which we must ask ourselves at all times is, what can we do to make people decide in favour of Barbados when they are going on a holiday? I will suggest to you that a package of sensible prices, stressing our natural endowments and the virtues of our people, is perhaps the best package that you can use for selling Barbados.

Sir, I now turn to the question of prices. I will be very brief on this one. We have been told that the inflation rate moved from 5% in 1976, went to 14.6 in 1981, or thereabouts, and dropped to something like 6%.

The only thing I can believe about that is that the inflation rate was low in 1976, and there has been a tremendous rise over the years, and there could well have been a drop last year. That would not surprise me, because with the strength of the U.S. dollar, and with the compression of the economy under the IMF programme and the deflationary aspects of that programme, you would expect the inflation rate to fall. Where the challenge is, Sir, is to create a situation of economic growth whilst containing the levels of inflation within the society. That is where the challenge lies.

I will make the bold statement that according to the international organisations, now that they have had a five year period to work on, their calculations have put the rate of inflation in Barbados at over 20% between 1978 and 1981. This is the way it was done, Sir. Inflation does not exist as an isolated parameter, as an isolated index in an economy, and they took the changes in aggregate domestic demand, the extent of monetary expansion, the relative prices of non-traded goods, changes in the competitiveness in our export sector, changes in real effective exchange rate, and changes in an import weighted index of foreign consumer prices converted to domestic currency. They also took changes in our current account as a percentage of gross domestic product and the impact of indirect taxation on prices in Barbados.

These parameters were aggregated, they were disaggregated, they were plotted in an aggregated form and in a disaggregated form. They actually built into it a plus or minus 20% error, and when they drew the curves for inflation, the only way that the curve for inflation would have fitted into those major parameters, with which inflation must fit in this kind of small open economy, is if you lifted that curve in such a way that it was at least 20% or over 20%.

I do not propose to deal with the question of unemployment. I believe everybody in Barbados knows that there has been a tremendous rise in unemployment in Barbados. It would be a complete waste of time, and indeed I have promised myself that I will never get into an argument with anyone, who is a Prime Minister of a country and a Minister of Finance, who went before the television cameras of this country on January 24, 1982

and said that since his party came into power he created 25 000 new jobs, and then came in here three months later, on March 31, 1982, and said his party created 11 800 jobs during the same period. How do you deal with a person like that?

I can go further. On March 16, 1981, he said that unemployment in Barbados was never 22%, yet at that same Party's conference on January 24, 1982, he repeated that it was 22%. When you go back to 1976, I have documentary evidence where he said that it was between 28 and 30%.

I do not think I can take such a person seriously. What I will ask him to do, in the interest of the nation, is to have a proper man-power survey done so that we would know the true extent of unemployment in Barbados, and at the same time take the opportunity to have a proper Electoral Register so that there will be no prospect of any rigging of the elections in Barbados.

I now refer to our external position. Those deficits, that very high public debt that I have referred to before, have had a very serious effect on the external position of Barbados. The foreign reserves of Barbados are foreign assets available to regulate or finance a payments imbalance. In an open economy it constitutes the Achilles Heel, or the Achilles Tendon if you like, of the economy, and anything done by any Minister of Finance that would rupture that tendon or fracture the bones of that Achilles Heel, I will consider to be highly irresponsible.

We have had repeated publications that our foreign reserves are $200 million, $150 million, all sorts of figures like that, but never a word about the composition of those reserves. Mr. Deputy Speaker, our foreign reserves consist of the foreign holdings of the Central Bank of Barbados, monetary gold, or SDR's with the IMF, our reserve tranche with the IMF, existing claims on non residents, or the net foreign assets of commercial banks, working balances with the Central Banks, balances with the CARICOM Multilateral Clearing Facility and the sinking funds for domestic debt and foreign debt, and official borrowings. Just bear that in mind – official borrowings.

It is absolutely important that at all times you make sure that you have adequate liquidity. You must have adequate liquidity. Secondly, you must ensure that you have a proper investment portfolio for your foreign securities which will generate income and will be set aside for a rainy day, and at all costs avoid wastage and avoid domestic policies; such as the printing of money, which could easily lead to a run down of your foreign reserves.

If you were to look at the Central Bank of Barbados' foreign assets by currency, you will see that in 1981 Barbados' U.S. dollar balances, the Central Bank's balances, were $400 000. Believe it or not! In the following year, when they went to the IMF, it was down to minus $800,000. We could not buy a potato.

When you look at the other things that constituted the foreign reserves of Barbados, you will see that it is money owed to us by bankrupt countries, largely money owed to us under the CARICOM Multilateral Clearing Facility.

4.50 p.m.

You will see how there has been a massive run-down of our money market securities, and you will realize that this took place, although the Central Bank of Barbados borrowed somewhere between $60 million and $90 million, during that period. Nevertheless, it ended up in a negative position as far as the foreign reserves are concerned.

Our holdings of SDR in the International Monetary Fund have sunk to zero and our reserve tranche has already been used up. In other words, Barbados was totally insolvent. You cannot say that it was bankrupt, because at least it had some debts owing to it. This, Sir, is an example of what I mean.

(A chart was held up and demonstrated).

That chart is what they quote when they talk about the foreign reserves of Barbados and they publish a total in the *Advocate.*

If you look at that green line, that is money owing to us in the Caricom Multilateral Clearing Facility. You can do nothing about it, and you are going to have real difficulties getting that money. I will have more to say about that.

If you look at that dotted green line, that indicates how the foreign securities of Barbados were run down and how they were sold off during 1981–82.

If you look at the red line, when you were down here, that is when you had $400 000, that is when you ran from the International Monetary Fund to the Orion Bank.

But the following year, when the increase in debt had caught up with you at that point – and these two rises here represent the influence of borrowed money, this one from the Orion Bank and that one from the International Monetary Fund – that is when you went to the International Monetary Fund. Around this point, obviously there are some tourist earnings and so on inside here. In other words, there can be no question that Barbados was insolvent when it went to the International Monetary Fund.

If you look at an analysis of our foreign reserves, Sir, what do you see in that particular month September 1982 when our total reserves were $113 million? The Central Bank U.S. dollar holdings minus $800 000, the amount owing to us under the Caricom Multilateral Clearing Facility – $85 million then, but it is now, as I gather from a statement made in the Other Place, somewhere in the region of $130 million – and another $25 million in a liquid money market securities – that is what they were not able to sell off in that particular point in time, and it is my understanding that some of those securities were sold off at a losts – then in that particular month, the net foreign assets of the Commercial Banks – and these are just balances because we have a Central Bank in Barbados – was minus $7 million.

So you will see that apart from the sinking fund for domestic debts – I suppose it can be used in a push, because you do not pay a domestic debt in foreign currency – and the sinking fund for external debt, Barbados was to all intents and purposes totally insolvent. I do not use the word "bankrupt" because I do not know what would happen under the CARICOM Multilateral Clearing Facility.

Sir, I have the Minutes here of the CARICOM Multilateral Clearing Facility. These are all the Minutes of the Caricom Multilateral Facility, going right back to 1978, and this business of trying to blame the Governor of the Central Bank for what took place in the CARICOM Multilateral Clearing Facility is totally unjust, because the Prime Minister himself, and the Minister responsible for Trade, must have known what was going on. I have checked with other persons who have attended those meetings and they have told me that before those major decisions were taken, contacts were made with the Minister of Finance.

Let me tell you what are the errors that were made. We should never have allowed ourselves to be in a creditor position of $130 million with the CARICOM Multilateral Clearing Facility. Mistake No. 1 was when you increased the line of credit from US$40 million to $80 million and then to US$100 million, at a time when people were not paying their debts and when they were abusing the Facility.

The second mistake that you made was setting a very low interest penalty on defaulters in the Caricom Multilateral Clearing Facility and, apart from that, actually sharing that money between the agent, the Central Bank of Trinidad and Tobago, and the credit participants, I presume.

The next major error, Sir, that was made was to make certain provisions for countries who were not paying. When the time came for clearance of their debts, instead of having to clear 100 per cent, they were allowed to clear only 50 per cent – and every single country that owes the Facility money opted to pay only 50 per cent.

The next major error was not to read properly what was happening in the Jamaica economy. If you look at our own Central Bank statistics here, you will see that in 1981, Jamaica had the largest drop in its foreign reserves than at any time during the Manley period, something like $500 million in 1981, at a time when we started to allow this kind of debt to build up within the Facility.

Mr. Deputy Speaker, you will not believe this, Sir, but they actually delegated the responsibility to the agent, that is the Central Bank of Trinidad and Tobago, to extend lines of credit to countries that exceeded their allotment, at an interest rate of 2 per cent. This is a matter that is critical to our external position, and they have delegated that responsibility to someone in Trinidad.

I know exactly what happened. I know how you got completely messed-up. But I will say, in all fairness, that I think that the Government of Trinidad and Tobago have some moral responsibility in this matter.

Another major error that was made is when Barbados allowed other countries, which owed the Facility a considerable amount of money, to make use of the last US$20 million which was available to Barbados and Trinidad. They have allowed other countries to make use of that.

I will caution the Government. I have said that I think that Trinidad and Tobago has a responsibility, and certainly it should be the last country at this moment to be imposing a licensing system against our manufacturers when we know what has happened under the Multilateral Clearing Facility. But I would hope that the Government would not fall for any proposal to set up any U.S. Dollar Fund, where the Government of Barbados becomes the guarantor, in order to wipe off this debt to generate liquidity here and finds itself a guarantor to debts signed by other people who clearly have no intentions of paying their debts. I sincerely hope that that temptation would be avoided, and, if necessary, you look for a long-term solution in regard to this question of the Multilateral Clearing Facility.

5.00 p.m.

I now turn, Sir, to the International Monetary Fund. I have set out all the reasons why we had to go to the International Monetary Fund. I agreed with an eminent economist that there were miscalculations in relation to the projection with regard to our balance of payments, but there was also a serious problem of liquidity as a consequence of mismanagement of our external position.

The International Monetary Fund, Sir, is not a bank. It is foolishness for anyone to say that you go there because you get cheap money. It is there to deal with payments imbalances.

I have brought along all these references here. I have brought along the Articles of Association of the International Monetary Fund, and I have brought along the Articles of Agreement, the question of conditionality by Joseph Gold, By-Laws and Regulations of the International Monetary Fund, the Annual Report.

So I just want to make it absolutely clear that anyone that goes to the public and suggests that you can go to the International Monetary Fund because you can get cheap money has to be joking. You go there because you have a balance of payments problem, actual or perceived, or the kind of liquidity problems which we had within the economy here.

As regards the question of conditionality, I would say that you can borrow in the reserve tranche which is virtually your own money. There is no problem with that. We drew down our own money. I never quarrelled about that. You can go to the Compensatory Facility for up to 50 per cent of your quota. When you went in 1977, I was not in Parliament, but I made no quarrel about that. It is well known that if you go to the Compensatory Facility, provided you are under 50 per cent of quota, there is no conditionality of any significance, or if you borrow in what they call the first credit tranche.

We do not want to get into these technicalities at the moment. The fact is, Sir, that all arrangements under a Stand-by arrangement carry conditionality – and this is consistent with the Articles of the Fund itself – and the trouble about it, Sir, is that the kind of stabilisation policies which they introduce in an economy of this kind stabilise nothing, but destabilise every single economic variable within the economy.

The Demand Management Programme imposed on this country was well tried and it was no different from the Demand Management Programmes in place at the point of entry – and I want to be very clear – into these programmes, with the exception that since 1979, the International Monetary Fund removed the requirement for economic growth, which they found to be an impossible target.

Barbados' path to the IMF was no different from any other developing country. A period of good export earnings, inappropriate and politically determined expansionary policies, heavy indebtedness, a fall in export earnings and wastage of foreign borrowings – that is the usual cocktail, the usual formula, that drives countries like Barbados to the IMF.

Mr. Deputy Speaker, from now on I do not speak any longer; I am giving the views of about 46 authorities that I have gone through. They are all listed here. People like Beveridge, Bird, Willy Brandt, Dell, Donavan, Guitian, Nowzad, Reichmann, Cline, Robichek, who were involved in preparing the 1982 Budget, Carre, Crockett, Denison, Fleming, Frenkel. These are all major names and I have gone through every single one of their works.

Sir, these are not my opinions any longer. I am going to give you the opinions of experts and I am going to give you the opinions of the International Monetary Fund, conclusions that they came to from their research workers and approved by their directors.

What are their conclusions? First of all, they invariably give rise to retardation of economic growth. Secondly, they throw the total burden of adjustment on the poorest people in the society, and that is why you have seen this kind of taxation policy, the levies and so on, in Barbados over the past 18 months or so. They are deflationary, so the inflation rate would come down. They compress output; not surprisingly you have had a falling output in two years. They all produce unemployment. That is part time and parcel of the programme. They have an adverse effect on savings and investment, and indeed, Sir, they have such a disastrous effect on the living standards of the poor that here is an open letter to the International Monetary Fund, "Conditionalities are a Nuremburg Crime", with a foreword by Linden Herman Dalrouse, Jr.

How did we get into the IMF? I am saying that this country was sneaked into the IMF arrangement. The Article 4 consultation, which took place in 1981 when they came here, said that the deterioration in the Barbados economy started in 1980, and that is in conformity with the views of the Central Bank in Barbados.

It said, Sir, that since the Spring of 1981, that is during the Budget of 1981, when I was called a liar and when it was said that we never had it so good, the Government had already taken decisions to put adjustment processes in place in Barbados. I will make, if necessary, since I cannot reply, the exact remarks available to the Press in reply to any remarks made. I have the Minutes of the Directors of the Fund.

The kind of old stuff that was made a document of the House is nothing. That is old stuff; that is nothing new. What you want to do is to get access to the Minutes of the Meeting when the Directors left here and went home and sat down and discussed the Barbados economy. That is where you get the information from.

They also pointed out that the approximate cause of Barbados' external problems happened to be the

printing of money, or excessive Central Bank accommodation. I will use the term "excessive Central Bank accommodation" only because I want to publicly state that all the experts in Washington, the top economist, about 40 of them, sat down and agreed with a paper produced by a young economist, Michael Howard, who was wrongly abused. He was proved to be absolutely correct, and all the economists in the International Monetary Fund agreed with him, even Williams, who was head of the last mission here to Barbados. I know what is going on, I can tell you that. I know you objected at first, but the Fund insisted that he came.

Sir, they also concluded that Barbados' external position would have deteriorated whether there was a recession or not. They also indicated in that document, which may be read in this House, that the ratio of external debt to GDP was higher than the average for most small non-oil producing countries. They also drew attention to the serious fault in relating your external debt service to exports in this kind of economy. The same Williams went so far in that Article 4 consultation as to say that it was due to "pre-election expansionary problems by the Government." That phrase is in that document.

They went on to say, Sir, that there was a dramatic fall in public sector savings as a percentage of GDP, worsening of the current account deposit, and unacceptably high levels of inflation, and there is no way that the IMF could have regarded 14 per cent inflation in Barbados, taking into consideration existing world conditions, as being unacceptably high.

They noted that the problems in tourism and the problems in sugar were largely domestic and they focussed on the wage settlements in 1980, saying that wages in Barbados were too high and that we should have a policy of wages suppression. And at that point they said that the Barbados dollar had appreciated or that the Barbados dollar was overvalued way back in 1981 – before we made a formal entry into the Fund.

They invited the Government to come to the Fund just before the Mini-Budget of 1981, as I said before, but the Government ran away and the Government said it was too soon after the elections to go to the International Monetary Fund.

They even went into the area of pre-conditions. Now, Sir, I have been saying that all along, and there are some people who thought that I was making sport, but one of the economists working with the Government, who has recently joined a regional institution, produced a paper for the University of the West Indies, and in it he said: "We will refrain from having an exhaustive empirical analysis of the pre-conditions which led up to the programme." Believe it or not, that came from one of the people actually working on it.

What were these pre-conditions, Sir? They related to all those taxes in the Mini-Budget, all the levies, and indeed they pointed out to Government that it was necessary to impose these levies in order to recover the Income Tax relief that was granted just before the elections in 1981.

The water rates increases, the bus fare increases and rental increases are all part of that programme. It included a cutback in the public investment programme, the beginning of all the talk about wage restraint and a reduction in real incomes, the credit stranglehold, with the high Treasury Bill rate and the high interest rates – all those were put in place during the year of pre-conditions.
5.10 p.m.

The attempt to take full control of the trade unions saw the introduction in this country – or the attempt so far – of an Emergency Powers Bill, and the Government also gave an undertaking to the International Monetary Fund to keep exchange rate policy under review in the light of developments in wages and developments in the balance of payments.

And I am saying that the Government had a say in the matter until the 29th. After the 29th, they do not have any say in the matter any more, except to come out of the programme. Until the 29th! Until the 29th March, the only say they have in the matter is to get out of the programme.

But I am absolutely opposed to any change in the exchange rate. I am absolutely opposed to any change in the exchange rate!

Now, Sir, one year later, after those pre-conditions were in place, our external position deteriorated, and we went into a formal Stand-by arrangement with the International Monetary Fund. Indeed, Sir, I would say that this is a classic example of a government collaborating with a faceless, heartless, country-less organisation to deceive the people of the country and to act against the interest of the masses of people of Barbados.

I continue to quote from another set of Minutes from the Executive Board, chaired by Mr. LaRosier himself, of the International Monetary Fund. The politics of the pre-conditions – that was the sugar coating around the bitter pill the country would have to swallow –
Listen to the kind of words they use:

(ASIDE: Barbados?)

Dr. R. C. HAYNES: Barbados.

> "In order to allow them to enforce the principles of conditionality and protect against any breaches"

in accordance with Guidelines 7 and 9 of those documents which I have here – to give them access to micro-economic policy, which they would not normally have under a Stand-by arrangement and which they would usually have under an extended facility arrangement. Like, for example, to determine bus fares, water rates and to allow the World Bank to come in and do tariff studies and tariff suggestions and, also, to tell you what is the kind of rate of return that must be given on a particular investment in terms of electricity rates in Barbados.

I go further, Sir. They say that it allows a government to implement, to appear to be implementing, its own policy, particularly those policies which are politically unacceptable. And they set out the areas – exchange rate policy, reduction in real incomes and the cleaning up of domestic arrears. They go even further to say that those pre-conditions are there to make sure that there is no question of marginality in a Stand-by arrangement, that you are either in a Stand-by arrangement or you are not in it, and they would no longer be tolerating any situation where there are defaults within a Stand-by arrangement.

Sir, it also said that it was to permit parallel structural adjustment programmes by the World Bank in infrastructural loans. For example, loans to electricity, loans in agriculture, which may have an impact on farm prices and so on, and loans in the energy sector that would determine the energy prices within a given country.

It also said that those pre-conditions were there to emphasise the seriousness of the Fund in relation to swift observance of the performance criteria.

Then it goes on, Sir – it makes it quite clear – that, in any instance, subsidies to the poor, however they are administered in any country, would have to be reduced or by-passed in these programmes whether it be water, housing rentals, public transport, education or old age pensions. Hence, you get the tax, via the levy, in order to contribute to the old age pensions in Barbados after we went in to that kind of arrangement. It is all part and parcel of the same programme.

But whilst there are certain traitors in Barbados, Sir, who would tell you that to go into a Stand-by arrangement is a wonderful thing, let us hear what the researchers of the IMF presented at yet another Meeting of the Directors of the IMF. Let us hear what they had to say! They said that these programmes concentrated on stabilisation and not on economic growth; they showed no appreciation of the dominance of the public sector in developing countries; no appreciation of the role of non-economic factors in savings in developing countries; that the social costs were unacceptably high; that domestic mismanagement and politically determined policies, for the usual reasons, brought countries to the International Monetary Fund, that the cost of deflation was designed to be borne by wage earners; and that there was no definite role for other income groups.

No wonder you saw income tax relief at the top in yesterday's Budget; relief for people buying cars between $27 000 and $34 000 – but the taxes at the other end! It is consistent with the fiscal programme and the approach of the International Monetary Fund!

They went on to say, Sir, that the programme does not identify the share of profits and in what way profits should share in the adjustment process. It does not restrict income payments abroad or transfers and it has nothing to say about income distribution locally.

Now, Sir, it goes further, and this is very important. It pointed out that policies such as wage restraint and high interest rates are suitable to highly industrialised countries, which have highly developed capital and money markets and where the velocity of money in those countries would be completely different; and that they are quite unsuitable to under-developed countries such as Barbados. Because in these circumstances, what those monsters do is that they discourage investment and they do long term damage to the economy, not only in terms of incomes but in terms of savings and investment.

They went on to say, Sir, that wage restraint in countries with already low wages is a socially and economically destructive policy.

And, finally, when they analysed all the programmes, I would say on an aggregated or disaggregated basis, they concluded that it was disappointing that, in hardly one of those programmes, the anticipated capital inflows followed entry of the country into the Stand-by arrangement.

I am not giving my views. I am giving the views of about 40 experts who met with the directors of the International Monetary Fund. They sat down and discussed it and they came out with a document.

I am no expert in these areas. I do not want to fool anybody that I am an economist. I would hope that no one would even think of referring to me as an economist. I know what an economist is. Someone who has a basic degree and has worked in the field of economics, or someone who has a basic degree and a post graduate degree. I know the definition of an economist.

Then, Sir, the Fund visited Barbados in March, 1982 and they prepared the 1982–83 Budget. That was later approved by the International Monetary Fund. They made some adjustments because of anticipated tourism and sugar failures, for some reason they thought that

the rate of inflation would have continued to rise at an even higher rate and they made corrections.
5.20 p.m.

They were told in 1981 that there was going to be a tremendous increase in oil production in Barbados, when in point of fact there was a dramatic fall in oil production in Barbados in 1981. They drew attention to the runaway fiscal deficit, the excessive Central Bank accommodation and the sharp rises in the public debt, among other things.

Now, Sir, some time ago, I said when I published that Letter of Intent that that was the tip of the iceberg, because in the Letter of Intent, when they put a limit on the net domestic assets of the monetary authorities, and a limit on the banking systems credit and transfers to the non-financial public sector – and you are talking about statutory boards in Barbados like the Barbados Marketing Corporation, the Agricultural Development Corporation, CBC, and that is the kind of thing we are talking about – when you put a limit on that, you have removed from the Government the authority to allocate resources within the country. That is the first thing that happens.

When they put a limit on the amount of money that you can borrow externally of a short term or a medium term nature, it makes you wholly dependent on them and the dribbles of money coming in from them. But they also make sure that there are no restrictions on transfer payments! You have to pay your debts, you have to meet your obligations, the debts that you have committed yourself to before to other international financial institutions! In fact, Sir, it leaves the Government at the mercy of the International Monetary Fund!

You cannot sign a bilateral agreement of certain kinds involving the borrowing of money without the permission of the International Monetary Fund. As a matter of fact, there is some doubt in my mind whether or not you can even engage in suppliers credit. I am not quite sure whether or not that is not in breach of the agreement.

Indeed, Sir, it also completely removes your authority in the area of trade. That goes right back to 1944 after the War when, at the Bretton Woods Conference, the United States decided that they wanted full access to the markets of the developed countries and the undeveloped countries. There is a very good article on that by a very knowledgeable expert, I think his name is Dr. Maurice Odle, I think, from the University of Guyana.

The Letter of Intent, Sir, which I said was signed, was written by the International Monetary Fund, and it is a standard letter that is written for all countries going into the Fund. I have here with me the letter when Guyana went to the Fund, to the same Mr. LaRosier, the Governor of the Central Bank of Guyana, signed by Patrick Matthews, and Franklyn Hope, Minister of Finance. If you read the letter, the wording of the letter is almost exactly the same, except, as I said, it had in a provision for economic growth which has been taken out since 1979. But that is the tip of the iceberg. Where the real problem lies is in the fiscal policy.

What is that programme? Let me tell you what that programme is. That programme is deadly to the poor people of this country, and in fact it is deadly almost to the whole community, with the exception of a few people who can benefit in certain circumstances. The corner stone is a planned reduction in the fiscal deficit, according to a given programme. That means taxation at one end and cutting back on expenditures at the other end. So you get high interest rates; a high bank rate; increased reserve requirements of the Central Bank; tight credit policies, including housing, bridging loans for housing; a planned reduction in real incomes via taxation; wage suppression; administered prices – I was wrongly quoted in the newspaper recently as saying administered crisis – no price controls; a whole range of levies, all of which have been imposed already; a reduction in capital expenditure; removal of subsidies, and that is why you see the bus fares have been going up at the Transport Board, and that is why you see the Transport Levy has been imposed, that is why you see the Health Levies are being put on. Wherever there is a social or welfare service, the general philosophy is that it should be paid for by the taxpayers and, preferably, funded by additional revenue.

I see that one of the economists who was working with the Government said that there were not many subsidies in the Barbados economy. He is joking. There are not subsidies in the Barbados economy in the same way as you have subsidies, say, in the Guyana economy, or had subsidies in the Guyana economy, that is subsidies to food and that kind of thing. But if you were to look at the Estimates over the years, you will see the transfers to the non-financial public sector, to the Housing Corporation and various areas, and you will recognise that right through this economy the rents charged by the National Housing Corporation have been subsidies for years.

The fact that you had a water rate at $1.50 per quarter for many years, then rising to $6.00, and now to an intolerable level, meant that there were subsidies in this economy all along. But the subsidies are different and they are not usually called subsidies, except in the area of welfare grants and so on. But they all have to be removed.

Yet, I will show you how wicked those people are. Whilst they removed those subsidies, they allowed the Government to provide out of the $35 million an amount

to make a hard currency loan for the sugar industry on the understanding that the taxpayers of Barbados would subsidise the interest rates on that. That is all in the agreement.

In addition to that, although they knew and advised the Government that to purchase Mobil was a serious error, they allowed it in the foreign exchange allowance available to them.

They fixed the amount of money that could be paid as wage increases last year at $25 a week. They did not say $25 a week, but they told you exactly the amount by which salaries could be increased, and when you work out the number of people, it had to be $25 a week, and the Minister of Finance has had to renegotiate with them on the 2½% that he allowed yesterday. He has had to renegotiate that, because in the original agreement you will see that it said not one cent in 1983.

The cost of energy, Sir, is another matter. They have agreed as a condition, under all circumstances, to pass on the full cost of energy to the consumers, even if it means increased taxation. Are you surprised that the drop in the price of gasolene was not passed on to the consumers yesterday? It cannot be; I am telling you it cannot be – not and remain within that arrangement. That would have to be renegotiated.

If you were to look at the financial covenants relating to the basis for the pricing of electricity under the World Bank Agreement, then you would realise what I am talking about. You would see in that agreement provisions for the increases in water rates, because the Water Authority would also be considered as one aspect of the non-financial public sector. You would also see in that the provisions for sewer rates, and indeed, Sir, when you see the $40 being put on for examination fees and so on, that is not by chance – all that comes under that heading of Non-Tax Revenue, which goes back to the administered prices, which is part of the IMF programme. 5.30 p.m.

The net effect of all this is that this constitutes an intolerable burden on the poor people of Barbados. I consider it a disaster for the Government to have taken this country into the IMF programme without the knowledge of Parliament, without the knowledge of the people, and now come in here yesterday, after releasing that, or a similar document, to the Press, and make it a document of the House, Sir, something that is completely out of date, knowing full well that a few weeks ago, probably about two to three weeks ago after the Fund was here, headed by Williams this time, that he had to go and make a complete revision because of the fall in export earnings.

That document that you have made a document of the House is no longer relevant. You should see the comments of the last Meeting of the Executive Directors of the International Monetary Fund. I can freely say that because they have to forward those Minutes to those countries that are in a creditor position, the countries that are lending money to them; and once they are lending money to them, I can get access to them. It is as simple and straightforward as that. I cannot tell you exactly where I got it from.

When it comes, Sir, to exchange rate policy, they have denied that. I am not saying that the Government ever entertained the idea of devaluation. I have never said that. What I have said is that I have always supported the Government of Barbados.

This chart here shows us what they sat down in Washington and worked out to be the real effective rate of exchange of the Barbados dollar, suggesting that the Barbados dollar should be devalued to the extent of 18 per cent or something like that.

But this is completely wrong. It is totally and completely wrong, for reasons that I published in the Press recently, and for the further reason that they forgot in their arithmetic to include tourists expenditures when they were making their calculations. So I have not been telling any lies.

I can go back to the Article 4, Consultation, and I can make available to the Press of this country every comment by the Fund after consultation with the Government since September, 1981. As a matter of fact, I have already made sure that I had shown it to at least two senior members of the Press, so that at least they would realize that I am not telling any lies. So whether I am abused or not, it does not matter.

I was abused in 1981 when I said where the economy was heading, so it does not matter, because when all the abuse is finished, when I am forced to reply when a test match is going on, when I am forced to reply in the middle of the afternoon, it is going to make no difference to the people tomorrow. What is going to make a difference is if you would listen to what we on this side are saying and try to modify your policies and try and help the poor people of Barbados.

Sir, the policy of wage suppression is a totally irrelevant policy in Barbados. At least two local economists – I would not call their names, because I am scared that they might be abused – have done a very interesting study, and they have pointed out that there should be no circumstances in an open economy in Barbados where you can get a self-sustaining wage price policy as you can get in developed countries, and, there-

fore, there is no need to use wage restraint as an adjustment policy.

Their work has been confirmed by many experts in the United States, in the International Monetary Fund and in the World Bank, that wages in these economies are determined principally by import prices, taxes, export prices, interest rates, levels of productivity, levels of unionisation and the activities of the unions, the willingness to share profits between employer and employee and that wages do not push prices up in this kind of economy.

On the contrary, it is the prices that tend to drag wages up and, therefore, the correct policy in any adjustment process is not wage restraint. The correct policy is prices restraint, price controls and reduction of the inflationary taxes.

You are doing exactly the reverse of what you should be doing, and if you look very carefully, you will see that in every productive sector of Barbados non-wage costs have been rising faster than the wage costs. It is the non-wage costs that have been rising faster, not the wage costs. Even in the sugar industry, and I would refer to a very good document by the Central Bank on its 10th Anniversary, in an article, I think, by Haynes, it is pointed out that the wages of sugar workers, in fact, had risen more slowly than unskilled workers in the society.

Wage suppression, Mr. Deputy Speaker, in Barbados, I consider and it is considered by experts, to be socially disruptive. It depresses productivity. It increases profit incomes by exploitation. It decreases the real incomes of workers and, ultimately, it gives rise to economic contraction. It decreases your tax yields, and that is why you see that the more taxes you put on, nevertheless, you are still in trouble for revenue year after year.

It also increases your tax demands, because when you look, Sir, and see what is happening to the average worker in Barbados, when he gets his cheque, 8 per cent at the top comes off in National Insurance and levies, Income Tax, if he is eligible for it, and indirect taxation on the foods and the medicine that he has to buy.

When he is paying for public utilities, telephone, gas, electricity, water and transport – and indeed we see now creeping into the rate-making system of public utilities a situation where the public utilities themselves want to include such matters as deferred taxes and corporation taxes as part of their revenue requirements in order to push up the rates of public utilities in Barbados, a precedent which must not be allowed to develop in Barbados – that man with that small wage who has to meet those particular bills still has to pay the high interest rates if he has any debts with a bank. And there is so much unemployment around, he invariably has to share his salary with some member of the family, and then, on top of that, you are now getting a reduction in the social services.

For goodness sake, let us think about what we are doing! We must get out of this IMF arrangement. If we remain in this IMF arrangement, it is my suspicion that, unless something extra-ordinary comes about, we are going to be in further trouble in August or September this year, or you are going to be borrowing more and more money from institutions like the World Bank, and, in the long run, you are going to be mortgaging the future of this country more and more.

I will say that with the level of the foreign debt in Barbados, and with the dependence of the standard of living of the people of Barbados on those foreign earnings, the first charge on all money earned in Barbados in the future is going to be the repayment of the debt contracted by the Hon. Member for St. Thomas.

Not in my lifetime, or in the lifetime of any of us here, except in very unusual circumstances, will we be able to improve our standard of living. It is questionably whether our children will be able to enjoy the standard of living that we are enjoying, and our grandchildren might well be in trouble.

Estimates are that countries like Barbados which get themselves in this kind of position, if they do not take firm steps and get out at an early stage, might find themselves locked in that position for some 40 or 50 years. That can easily happen when you have an external debt of over $600 million, and you have gone and signed an agreement for a $20 million structure adjustment loan – although last year, or during the debate, when a sum of $7.5 million loan was being debated, it was denied that that $20 million loan was being negotiated.
5.40 p.m.

I knew it was being negotiated and I knew that arrangements were being made for it to be handled through the Central Bank of Barbados. I know now that arrangements are being made for its allocation within a given institutional arrangement. I do not wish to go any further.

Mr. Deputy Speaker, I would have liked to have been able to speak on agriculture. I would like to have been able to do so, because I think it might have been of some assistance to the Minister (Hon. Dr. R. L. Cheltenham), who is beginning to learn something about agriculture. I wanted, Sir, to talk a bit about the Barbados National Bank and also to make a very strong recommendation for a separate banking institution to deal

with agriculture, because of its specific problems, but time will not allow me to deal with that.

I wanted to deal with the whole area of energy in Barbados. I have referred to it tangentially from time to time, but there are specific policy options open to Barbados to which we need to address ourselves.

I wanted, Sir, to look at the impact of the high interest rates on Barbados, and there is no doubt, Sir, that it is totally destructive of this economy and will continue to be destructive. The reasonings behind the high interest rate regime in Barbados have been wrong, and it is time that the Government understands that as a small economy without a hard currency, you can have an interest rates regime in Barbados that is not necessarily linked to international interest rates.

It is quite incorrect to follow that assumption that is automatically made by the International Monetary Fund. What is happening in the United States is that the President of the United States and the Head of the Federal Reserve have expanded the money supply and, in response to the expansion of the money supply, the interest rates have fallen. That is a political decision.

What is going to happen after the election if they tighten the money supply again and interest rates in the United States climb up again? Are you going to allow interest rates in Barbados to climb back up again?

You have to have an independent interest rate policy, and you have to recognise that the debt-equity ratio of businesses in this country is such that interest rates must be totally, thoroughly disruptive of the total economy, and indeed that interest rates will not only depress the economy, but will go further and create a demand for further taxation. Because with the very high Treasury Bill rates, when the interest rates go up, then you find that you have to pay these debts from year to year. That is why you find that last year you paid $99.5 million in debt service and this year you are paying $93.4 million. That drop of $6 million, I am quite sure, is largely due to a drop in the Treasury Bill rate and a drop in the interest rates.

I now turn to the question of housing. I would have liked to deal with the question of housing. From the financial point of view, I am calling here on the Floor of this House for price controls on building materials, for a removal or a reduction in the consumption taxes to make sure that there is a constant flow.....

Mr. DEPUTY SPEAKER: I will draw the Hon. Member's attention to the Resolution by which we are guided in this particular instance.

Dr. R. C. HAYNES: Thank you very much.

It looks as if my time is up. I do not propose, Sir, to move the usual amendment to the Resolution, because under the dispensation, as I said, I have no right to speak again, so there is no point moving an amendment, and I will wind up at this stage.

Thank you very much.

Hon. H. B. St. JOHN (Christ Church East Central): Mr. Deputy Speaker, I rise to second the Resolution on behalf of the Government. I must say that the honourable Member's speech was as expected. He should not really complain of his lack of time, for he had enough time. Indeed he had so much time that he squandered most of it in trying to demonstrate to us that the speech that he made today was a repetition of one that he made recently in another place.

I am yet to hear from the spokesman for the Opposition what are the alternative policies of the Democratic Labour Party! I am yet to hear from the Democratic Labour Party whether they acknowledge that there is a recession in the world! I am yet to hear from the Democratic Labour Party what specific programmes they will introduce, or would have introduced, in order to provide employment for the people of Barbados, in order to increase our export earnings, and in order to increase our standard of living!

The Barbados Labour Party has its record upon which it can stand. Today in 1983, it is clear; the evidence is there for all to see; our development programme has been carried out to the fullest extent. We have tangible evidence of the projects which have been completed. These projects are productive projects. The benefits of these projects will be reaped not only in this financial year, but in many financial years to come.

It is very important for us to recognise that, in a developing country like Barbados, the Government is very often the chief mover of the economy. We have been at pains to point out that only a Government would take the decision to carry out a project of the magnitude of the Cement Plant, a project of the magnitude of the Spring Garden Road, a project of the magnitude of the road between St. Barnabas and the CDB building, or a project of the magnitude of Oistins.

All of these projects have been carried out with the borrowed money of which the honourable Member speaks. Institutions such as the IDC and the Development Bank have been funded with the borrowed money of which the honourable member speaks. The honourable Member does not have to go far to see where the money has gone. It has gone in providing industrial estates at Six Roads, Grantley Adams Airport, Newton, in St. Peter, and it will provide the industrial estates now starting next to the Spring Garden Road, at Brighton in Fontabelle. These Mr. Deputy Speaker, are tangible evidence to which we direct public attention.

There are a number of other points that the honourable Member spoke of that I would like to deal with at the very beginning. The honourable Member speaks about the decline in tourism. I think it is important for us to place Barbados' position in tourism in its true perspective. In 1976, when the Barbados Labour Party came into power after 15 years of Democratic Labour Party rule, the maximum number of tourists coming to Barbados was 226 000. In 1982, in our worst year, it was 307 000, a considerable improvement on any performance of the Democratic Labour Party. Indeed, if one takes the six-year period prior to the Democratic Labour Party leaving office, one would see that in that six-year period, from 1976 back, they did not achieve the 80 000 rise in visitors that we have achieved since we have come into power.
5.50 p.m.

I do not deny, Mr. Deputy Speaker, that all of us deeply regret that we were not able to sustain the performance which we achieved in 1979. Indeed, we have carried out many examinations, not only within the Ministry of Tourism but throughout the Government, as to the reasons for this. The reasons are many and varied; some are within our control and some beyond our control.

The Barbados Labour Party has fought tooth and nail to do whatever it can in respect of those matters over which it has control. The Government has fought to ensure that we have a regime for the regulation of behaviour on the beaches. The Democratic Labour Party has consistently opposed any attempt by the Government to introduce law and order on the beaches.

The Government has consistently fought to ensure that access is provided for all Barbadians, which they can share with visitors. The Democratic Labour Party has opposed every move that the Barbados Labour Party has made for expansion of beach facilities in Barbados.

The latest opposition came when we attempted to acquire the additional acreage of land at Rockley. The Democratic Labour Party opposed the acquisition of the balance of the land at Rockley, so that we could have a very large area for Barbadians and visitors alike to enjoy.

All of our efforts have been stymied by the negative attitude of the Democratic Labour Party, by the subtle introduction of racialist politics of the Democratic Labour Party, by the attempt to create a feeling of racism within the tourist industry. Despite all of that, the Barbados Labour Party has stood its ground.

We have tried to explain to the public of Barbados that we believe that tourism is vitally necessary for the economic well-being of Barbados. We know that we are in the hospitality business, that we have to compete with other countries in the world, and that the competition in the tourism industry is strong. Therefore, we in Barbados – all of us – are duty bound to welcome people, when they come to our shores, and to make sure that they have a good time in Barbados. That is the only way they will return.

All of us who have studied tourism know that the income in the countries from which you get tourism is a very important factor in determining the number of tourists which come to visit. There is no doubt that the United Kingdom, Canada and, until recently, the United States of America had great economic difficulties. Barbados derived a large number of visitors from those countries and, as a consequence of the lack of earnings within those countries, it was natural that we would lose some of our business.

It is significant, Sir, that just as the recession in the United States appears to be easing, already there are strong elements that Barbados' tourism from the United States is beginning to improve. I feel confident, Sir, that particularly now we have signed a new Air Services Agreement, which for the first time, places us in a position really to compete with the northern Caribbean, our business from the United States would improve greatly.

We are also hopeful that the United Kingdom's economy will continue to improve. The evidence is very clear that there has been some movement in the economy of the United Kingdom. There is also some prediction that there will be an improvement in the economy in Canada in the near future.

But these external factors, I wish to repeat, however much they will improve, will not permit us to derive our greatest benefit if the Barbadian community as a whole does not recognise that they have a responsibility to welcome tourists to Barbados.

I would hope that the Democratic Labour Party, at this late hour, would have said that they join with the Government in attempting to persuade the public of Barbados that they must cultivate healthy attitudes towards tourism. But such is the politics as practised by the Democratic Labour Party, and by the spokesman for Finance in particular.

(Mr. P. M. GREAVES: You have our assurance.)

Hon. H. B. ST. JOHN: The spokesman for Finance in particular! That is asking too much to expect that from them.

There has been a lot of criticism, again by the spokesman, about the Multi-lateral Clearing Facility. I wonder, sometimes, whether there is a clear understanding by the Democratic Labour Party, and by the spokesman

on Finance in particular, about the role of the Multi-lateral Clearing Facility.

Barbados, more than any other CARICOM country, has increased its exports to CARICOM in the last five years. If we are to continue to increase our exports, it is necessary for us to provide a level of credit which is competitive with the credit which the other CARICOM countries can get from third countries who are trying to compete with us.

There is no doubt about it if you wish to sell goods to countries such as Guyana or to Jamaica, there must be some level of credit granted. So to criticise the Multi-lateral Clearing Facility for granting credit is, in my opinion, to ignore the fact that the goods which have been exported by Barbados through the Multi-lateral Clearing Facility have been goods produced here in factories, which have created employment in Barbados. It is important for us to separate this aspect of the Multi-lateral Clearing Facility from its normal clearing operations.

The Barbados Government has made it clear, at CARICOM level, that the Multi-lateral Clearing Facility has now expanded to second position, and that it should be regarded as one of the institutions of CARICOM which should come under the purview of Ministers. The Barbados Government has been insistent that at the next Ministers of Finance Meeting, the Multi-lateral Clearing Facility, its purposes, its limitations, its difficulties and its benefits form part of the agenda.

It is not true to say that Jamaica is in default, or unreasonable default, in the Multi-lateral Clearing Facility. That is not accurate. Guyana is the country which is in default, and the financial position and the balance of payments position of Guyana is well known. We feel, however, that this is a burden that all of us within CARICOM should share, and the Barbados Government, notwithstanding the strictures of the honourable Member for St. Michael South Central, will continue to pursue the policy that, in its opinion, CARICOM is exceedingly important for the economic development of Barbados. 6.00 p.m.

It is not easy for us to invade third country markets immediately. It is necessary for us to continue to trade with CARICOM, and we shall continue to do so, insisting, of course, all along that there is a sense of responsibility among the Governments within CARICOM.

Mr. Deputy Speaker, we hope that in the very near future additional facilities will be placed in the way of the Multi-lateral Clearing Facility so that Barbados' exports to CARICOM will increase.

The honourable Member for St. Michael South Central also attacked the credit worthiness of Barbados in the course of his speech. It is noteworthy that the Hon. Member did not say who attacked it, when it was attacked, or in what way it was attacked.

The Government has been able over the course of the last year to borrow all of the public offerings that it has made, and the Government, as far as I know – and the honourable Member has not produced any evidence to the contrary – has not defaulted on any loan, or on any payment, or instalment. So the mere statement that the credit worthiness of the Government was challenged, without saying when and where, carries us no further.

We must recognise, Sir, that in an economy such as ours, it is important that governments do not, as a result of their public expenditure, crowd out the private sector from borrowing – and this is the point that the honourable Member fails to address his mind to in dealing with the question of taxes. It is very important for us to have a current account surplus to contribute to our capital development programme.

The Democratic Labour Party has never said on the Floor of this House, or anywhere else, what alternative method of financing it would indulge in if it did not indulge in borrowing, or if it did not indulge in receiving gifts, or if it did not indulge in raising taxation to finance its capital development programme. Either it is going to have no capital development programme, in which case it will suffer the consequences of a construction industry which is greatly restricted, or it is going to receive the money from some source which is unknown.

The taxes that have been introduced in this Budget must be looked at in that light. Now, where have these taxes fallen? I think one of the problems the honourable Member had in presenting his presentation was that he came in here yesterday expecting that the Government was going to introduce savage taxation on the population. After all, for nearly a year now the Honourable Member has been trying to scare the public of Barbados into believing that the Government had run things so badly that by Budget-time the Government would have had to introduce savage taxation. When he heard, of course, that the Government was only seeking to raise $17 million net, and when he discovered that $5 million of that was coming from the adjustment in the oil income, which is derived from the reduction in the price of oil, the steam was licked out of the honourable Member. That was his problem. From then on, the honourable Member could only indulge in the rambling repetitive speech that he indulged in.

Let us deal with this question of the tax relief. The honourable Member insists that the only relief that the Government has given in taxes is to motor car buyers in a particular category, and to people who are in the high income brackets. He has completely ignored the whole

part of the Budget which deals with the tax credit, which the Minister of Finance was clear to point out touched some 12 000 taxpayers. Twelve thousand taxpayers will receive increased tax credits, their Income Tax will be reduced by the increase of the tax credit.

The honourable Member also ignored the removal of the surcharge on kerosene. That is a very, very important point, because the users of kerosene in our society are people in the lower socio-economic group, the old age pensioners and people of that income group. It is therefore very strange that the honourable Member should ignore that. But, of course, he has to ignore it, because it gives the lie to his statement that the Government in the Budget has done nothing for the lower socio-economic group.

Now, the measures which have been introduced by way of the tax credits will in every case, according to our calculations, be better than the increased amounts of the Health Levy, so people will be better off even if one takes into account the increase in the Health Levy.

We also have to take into account the removal of the surcharge on fuel oil, and this is very important, because the benefit of that will pass through to the 67 000-odd households in Barbados who have electricity. They will feel the benefit of the reduction in the fuel charge.

Now, Sir, I think, once and for all, we should put an end to this talk about the Government's acquisition of Mobil. I do not know of any place in the Third World where one would get criticism of a Government for acquiring its own national asset. Only the Democratic Labour Party in Barbados would criticise a Government for taking control of its national assets.

When the Resolution came before the House, we were at pains to point out that the Barbados Labour Party regarded it as important that it continued along the same lines on which it started in 1946, when it brought within public ownership petroleum rights in Barbados. We said that the Democratic Labour Party had leased out public property to General Crude Corporation, who subsequently assigned the lease to Mobil Corporation, and that we had an independent valuation done of the value of the rights which were granted by the Democratic Labour Party, and the value was placed on it at US$6 per barrel. The rest of the money was paid for equipment which was above the ground. This value was checked by the Canadian Government Energy Corporation, which the Government of Canada had designated as advisors to us under the Technical Assistance Programme.

6.10 p.m.

So, Mr. Deputy Speaker, the basis upon which the Government has purchased the interest that Mobil had in Barbados has been made public.

What is more, the Leader of the Opposition, (Rt. Hon. E. W. Barrow) is the Chairman of the Public Accounts Committee in Barbados. The Resolution passed Parliament. It is an appropriation of Parliament. I invite the Leader of the Opposition, in his capacity as Chairman of the Public Accounts Committee, to hold any investigation he wants into the purchase of Mobil.

It is totally untrue to say that there was a disagreement between Morgan Guaranty of the United States on the purchase price of Mobil. The honourable Member has been insinuating that repeatedly. He said that they knew that the value was not fair and that is why they did not lend the Government the money.

The position is very clear. We invite the Leader of the Opposition to investigate it. He does not have to ask anybody to do an investigation. He is the Leader of the Opposition. There is institutional machinery in Barbados for him, to summon the Accountant General, the Director of Finance and Planning, the Chairman of the National Petroleum Corporation – anybody. But, of course, when you wish only to create a false impression, when you have no arguments in reply to the soundness of the points that we have put forward, that it is our national assets at this stage of the game, there is not much that you can do.

There is no longer any mystery in producing oil. The developing world has got those skills either within their command or there are developed countries in the world which are of the same mind and they are willing to lend or give developing countries the necessary skills to exploit their own resources.

But, as a responsible Government, it does not lie within our power to confiscate the legal right which Mobil had at Woodbourne or in respect with the other leases. I am more than confident that future generations will commend us for having taken the step to ensure that oil exploitation comes within national ownership.

When we come now, Sir, to the refinery, I wish to make it clear that this Government, as a matter of policy has reviewed the operations of the refinery regularly. And when the time is ripe for the Government to take the decision that it will acquire any rights that are unexpired in the agreement negotiated by the Democratic Labour Party in 1962, the Government will take that decision.

But it will be a different ball game and Mobil well knows, certainly now, that for at least seven years the Government has regarded the refinery of being of no

value. The Government, of course, in taking the decision has to balance not only the question of the price of fuel but the reliability of supply to Barbados. All of those factors will be taken into account.

When Energy was in my Ministry, a study was done on this, and I know that this study is being updated by the Ministry of Finance and Planning. But it does not lie in the mouths of the Democratic Labour Party to criticize the Government in relation to the refinery, for it was the Democratic Labour Party, in 1962, which entered into the agreement with Mobil. We now have to try and extricate ourselves from that agreement in the light of the prevailing conditions which apply now in relation to fuel.

On the question of prices, I think it is important for all of us to recognize what a wonderful job was done in Barbados over the last year in keeping prices down. This is a tribute not only to the wisdom of those who are responsible for importation in Barbados, but also to those who are producers in Barbados.

The contribution that non-sugar agriculture made in the last year has been outstanding. It has helped to stabilize the price of many commodities in Barbados. The contribution that fishing made in the last year has been outstanding. The figures show that it has been a year of record production in poultry, pork, fish and vegetables. Of course, the Democratic Labour Party ignores that! It does not suit them to deal with that!

Mr. Deputy Speaker, the policy of the Government with respect to idle lands has been designed to ensure that people who own land in Barbados recognize that they are under a duty to do something with the land, or get rid of the land. I make no apologies for that. It is my belief that the Government must tailor a policy that ensures that maximum productive use is made of all land in Barbados.

There are a large number of young people who wish to farm land in Barbados but, because of the price of the land, they cannot have access to land. They are a large number of people who have land and wish to own that land and to hold that land purely for speculative purposes. The Government has to devise and gear a policy which would prevent the speculation and encourage the maximum utilization of the land.

One must not look at the taxation of idle land in isolation from the other measures which have been adopted by Government. This is an area, I am sure, which the Minister of Agriculture (Hon. Dr. R. L. Cheltenham) will deal with at length during the course of his speech, but I think it is very important for us to remove the false impression created by the honourable Member, that the Government was doing the people and the community a great injustice by insisting that the maximum productive use be made of land.

6.20 p.m.

The question, Sir, of the water rates is also very important. The honourable Member would have us believe that, under the IMF programme, we had to increase the water rates, the electricity rates, transport bus fares and all these things.

We have repeatedly pointed out in here that the question of water and sewerage rates was settled when the honourable Member for St. Michael South (Mr. L. E. Sandiford) affixed his signature to an agreement with the Inter-American Development Bank for the financing of the sewerage scheme. The honourable Member for St. Michael South entered into an agreement when he was Minister, with the approval of the Cabinet, that as part of the loan for the introduction of a sewage scheme in Barbados, water and sewerage rates would progressively be raised over a period of time. It has nothing at all to do with the conduct of this Government!

Again, it is necessary for us to repeat these points, because, despite the fact that on every occasion the honourable Member makes these points we contradict them and repeat them, the honourable Member still persists in making these points. And there is not one of the journals in Barbados which contradicts the honourable Member on these points, so we must do it, we must state the contradiction on every occasion.

It is obvious to anyone that if you are running a bus service of the calibre that we have in Barbados – and I wish to say that it is something of which all of us should be justly proud – it must be paid for. There are few countries in the world, developed or undeveloped, that have a bus service for 20 hours of the day. There must be very few developing countries that have a bus service of the quality that Barbados has. I am sure that the Minister of Transport (Hon. V. L. Johnson) will point out that, even with this additional increase, the revenue collected is not going to cover all the operational charges, so there is still an element of subsidy.

We regard the provision of a bus service as an integral part of our programme to bring Barbados into the last quarter of the 20th century and into the 21st century. It is obvious that if we are to go forward as a developing country, we must make the maximum use of machinery in our industrial plant. Whether we like it or not, we are all competing in the outside markets of the world, and Barbados must use its machinery more than eight hours a day. It is therefore essential that we have the infrastructure in place so that a second and third shift system can operate to the hilt, and a good and adequate transportation system is a very important ingredient in that.

So it is not because of the IMF that bus fares have gone up. It is because it is necessary to pay wages, to buy new buses to keep the Transport Board operating at a level of efficiency, and that that money can only come from a combination of a subsidy from the public purse and a contribution from the users of the bus service.

I think it is time now, Mr. Deputy Speaker, for me to speak on what I always like to speak on, the positive side. I am not one of those who believe that Barbados has done badly during this recession. I think we did very well.

I think all of us in Barbados should be proud of the fact that our unemployment rate in 1982 was far better than under the Democratic Labour Party. All the years, and particularly 1975 and 1976, under the Democratic Labour Party, they had far worse unemployment than we had in 1982 at the height of the depression, a depression which has been described as "the worst, in the last fifty years".

Despite all of that the Barbados Labour Party Government was able to keep its capital works programme going so that the level of construction was such that people were employed. We have been able at this stage to announce the successful completion of our development plan, and we are now planning for the second development plan.

Now the public knows, having regard to our performance and our promise under the first plan, that when we say that we are planning now for the future, we will so manage the economy of Barbados that we will be able to execute our plans.

Sir, in my own Ministry, the Ministry of Industry, we have just completed a study which has been carried out by an independent firm of consultants from the United States, the Boes, Allen and Hamilton group of consultants. They have done a review of the progress we have made in industrialisation, and they have charted out for us a programme which they feel that, given our level of development, we should pursue in the next ten years for the furtherance of our industrial development.

I am very pleased to say, Sir, that already the Government has been able to attract capital from the World Bank for some of the funding necessary to allow the private sector to play its role in the effectuation of this objective.

Similarly, later this year the community will reap the benefits of the opening of Heywoods in St. Peter. That is going to be a project of which all of us are going to be very proud.

Three hundred new rooms will be open, and they will be coming on the market when we are all hopeful that the recession is coming to an end. The timing will be right, the quality of accommodation will be right and we will be in a position to see the people in the north of Barbados benefit for the first time in a significant way. I think that is very important. The strategy of the Government to distribute the benefits of its development programme over Barbados is now coming to fruition.

By March 1984, I am told we should be using cement produced in Barbados in our new housing thrust. That is very important. The honourable Member is now calling for price control on building materials. The honourable Member has failed to appreciate the significance of the capital development which we have been indulging in over the course of the last five years to free ourselves from our dependency on imported materials.

6.30 p.m.

Not only have we taken the decision to build the Cement Plant which will provide cement, but we have also seen that the Development Bank has made sure that a tremendous number of small people in Barbados had access to money to build concrete block plants. We have also done geological studies to ensure that the public and land owners are aware of the silica sand throughout in St. Andrew, and that there is no longer any question of only one land owner owning the silica sand in Barbados.

We have also, Mr. Deputy Speaker, encouraged the use of machinery for cutting coral stone building blocks in Barbados. We have also helped the expansion of the clay brick factory. We are busily trying to engage in multilateral discussions with the Government of Guyana to ensure that they, our CARICOM partner, at least pay us back money that they owe us by selling us some of their lumber.

So, Mr. Deputy Speaker, the call for price control on buildings materials is misplaced at this stage. The Government has already set the stage to ensure that most of the building materials that will be used in Barbados in the future will be produced here in Barbados or in CARICOM. And, in anticipation of this tremendous contribution, the Government has negotiated a whole package with USAID to ensure that loan funds are made available for householders who wish to buy land and to build a house in Barbados.

I think this is very important. In my opinion, it is strange that you can have the spokesman for the Opposition asking for price control on building materials, but, at the same time, being a member of the party that vigorously opposed the Government when it brought in legislation to ensure that people who wished to buy the land on which their houses stood for many years, could do so at a stipulated price. The Democratic Labour Party

opposed that! They voted against it. They voted against the poorer section of Barbados by being able to acquire land.

I do not know where they are going to put the building materials that they price control. They feel, and it is their policy, that there should be perpetual renters of land in Barbados, that they should be perpetual owners of wooden houses. That is not the philosophy of the Barbados Labour Party.

Our position is that housing in Barbados must be looked at in the context of the aspirations of Barbadians, and we know that Barbadians like to own their own land and that they prefer to own a wall house. And we know that in a country such as ours, which is an open economy, unless the inputs of housing are produced in Barbados, or within the CARICOM area, that there would inevitably be a damper or a break on the amount of housing that could take place, because of balance of payments situation.

That is why the Barbados Labour Party planned for such a long period of time, and that is why we are so proud of the fact that, now the Cement Plant will soon be ready to produce the first bag of local cement, there will be people who would be able to buy the cement. They will be able to borrow the money and they will be able to build stone houses on their own land. That, Sir, is the policy of this Government. Those are two very important areas that we have been working on.

I think also, Sir, that, from our position, we would have expected that the honourable Member would have responded to the world situation and the prospects for the future. I think all of us should recognise that the recession may be easing in some countries of the world. But we must also recognise that next door to us in the Caribbean, among our CARICOM countries, there are important markets to us.

I must say that the situation in Trinidad is giving some cause for concern. There is no doubt that the economies of Trinidad and Barbados are seriously interlocked, and what happens in Trinidad does have an effect, in the short term and in the medium term, on us.

The Government hopes that a solution to the trade problems that have arisen in the CARICOM area will be arrived at very, very soon. The Barbados position has been put on the table. Barbados does not believe that this matter can be handled by manufacturers, whether in Barbados, in Jamaica, or in Trinidad, trying to put a pistol at the head of Ministers. The responsibility for the solution to these trading problems rests upon Ministers. It is wrong for any group of manufacturers in Barbados, in Trinidad or anywhere, to believe that a protectionist attitude is the correct attitude to adopt now.

We will do everything in our power to ensure that a solution is arrived at within a short period of time. We are in contact with our ministerial colleagues and we will continue to be busy working in this direction, because, as I have said on many occasions and in many places, we have to have free trade within the Caribbean area so that our indigenous manufacturers can get experience of exporting before we can tackle the competition in the international area.

I am very pleased, Sir, to note that, more and more, the help which the Government has been giving the exporters through the Export Promotion Corporation is being recognised. Last year, the contribution of exports to our foreign exchange earnings was exceedingly good. We can only continue to have this contribution from exports if Barbadian exporters are not prevented from exporting by restrictions in the importing countries. That is why we are always joining with other colleagues in all of the international discussions on trade, and lending our support to the view that today there is a great degree of dependence between the developed world and the developing world, and that the only way out of the recession is if there is an increase in demand for goods, if there is a rise in the price of commodity.

The developing world has been hard-hit by the fall in the price of commodities. Bauxite and sugar have reached some of their lowest levels ever. Of course, the spokesman for the Opposition believes that this Government is responsible for that. It has no impact on CARICOM, according to him. None of these things have an impact! But, Sir, the truth of the matter is that developing countries have to be able, through their exports, to earn foreign exchange to buy their imports.
6.40 p.m.

We recognise in times such as this that you have to be very careful with the foreign exchange earnings you earn, that you have to devote them to productive purposes. We have no quarrel therefore with those who criticise us when we put a tax on videos, when we put a tax on luxury motor cars. If it is the policy of the Opposition to allow unlimited importation of all kinds of cars at a low duty value, let them say that that is their policy. If it is their policy to allow an unlimited number of videos to come in and pay no taxes, let them say that it is their policy. We have always said that we would have a regime of imports where essentials would be the first charge on our foreign exchange earnings.

I wish, Sir, to pay tribute to the Barbadians for their restraint this year in their consumption. The figures show that we have imported far less than previously. It has helped us with our balance of payments problems.

I also, Sir, would like to say that the Government has stuck to its word. I am very pleased that we have been able to give an increase to the civil servants as a result of the outturn of the economy. I think that the Economic Report gives the full lie to the honourable Member, when he said that during the course of the last year we prevented wage increases in Barbados. The weighted average wage increase in Barbados in 1982 was 15.4%, page 73 of the Economic Report, far in excess of the rate of inflation. In other words, there has been a larger amount, percentage wise, paid out in wages than has been the cost of living, so they have been net gainers.

Now, if the honourable Member wants to fly in the face of those facts, that is a matter for the honourable Member. We can always confidently rest our case on the sure assumption that in the end the truth will hang out – and the honourable Member for St. Michael South Central will be exposed for what he is.

Thank you, Mr. Deputy Speaker.

(Cheers).

Hon. Dr. R. L. CHELTENHAM (Christ Church East): Mr. Deputy Speaker, the speech made by the principal spokesman for the Opposition on Finance has been both disappointing and dangerous, and I think, with respect, that it has got to be answered right away.

It was disappointing in so far as it failed to address itself to the Budget which was presented yesterday. It contented itself with repeated tales of gloom and despair, and of quoting the views of 46 economists from around the world with respect to the International Monetary Fund, when, in truth and in fact, they have never studied the economy of Barbados, or studied in particular the designed features of its relationship with the International Monetary Fund.

The speech was dangerous, Mr. Deputy Speaker, in so far as it has continued in a tradition set by the Democratic Labour Party over the last two years, when they tried, having fed themselves on a diet of self doubt, despair and confusion, to feed the Barbadian public with that same diet.

Mr. Deputy Speaker, as a result of the Budget presentation yesterday, it is clear that we in Barbados have every reason for cautious optimism. It is clear that we have passed a severe and stern economic test, and the danger about the speech made by the honourable Member for St. Michael South Central is that it is likely to create confusion in the country and lame the will of those out there who are prepared to have faith in their country and further invest in it.

Mr. Deputy Speaker, we have come to regard the test of economic success on the part of a Government in Barbados as the extent to which it is able to create material prosperity, and we forget that we are a small open economy, extremely fragile and extremely vulnerable to the vissicitudes of developments both at home and abroad. Seen in that context, it is clear that the severest test of economic management which a Government can pass is to bring a small country like Barbados through difficult economic times such as we in the Barbados Labour Party have done over the last two years.

If you reflect carefully on what has been achieved in Barbados over the last two years, you are bound to conclude, Mr. Deputy Speaker, that this country has passed the severest test of economic management with resilience and with a large measure of success. If there is one message which the Budget has brought to our people, it is that we have no reason to despair; we have no reason to join with the honourable Member for St. Michael South Central in walking into the trap of confusion and self doubt, but we can look with confidence to the future.

When a country can bring its fiscal situation back into the sort of order that we have been able to restore; when we can continue to invest in our skills training, in laying the foundation for a comprehensive health care service; when we can continue to move ahead with the various developments in road construction which we have seen in the country; when we can continue to invest in projects of the size of Heywoods and the Arawak Cement Plant, the biggest industrial project we have ever undertaken in this country, people wonder, looking on from outside, whether Barbados has ever suffered from the effects of the world depression.

That is the sort of programme that we have been able to continue, notwithstanding the fact that we have been caught up in the greatest international economic disaster since the Great Depression, the greatest crisis, with the large, rich countries, well endowed, of the North Atlantic – the United States of America, Canada, United Kingdom, Germany and France – brought to their very knees. And instead of looking at the matter in a sober manner and giving marks where marks are due, and recognising that the country has responded with industry and restraint, and that we have passed the worst on the road, we are hearing prophecies of doom and gloom and downright untruths, such as Barbados is caught in a debt trap and all the rest.

Mr. Deputy Speaker, the time has come to set Barbados' relationship with the International Monetary Fund in its context and to deal with it in a sober way. Before I do so, however, I just wish to say that when the Opposition spokesman was dealing with the Barbadian economy, I, for one moment, thought that he was talking about Jamaica or Guyana. I could not believe that he was talking about Barbados.

6.50 p.m.

As I speak to you tonight, Mr. Deputy Speaker, we have a situation in Guyana where if any man or woman is in possession of more than 6 pounds of flour, he is liable to prosecution for hoarding. We have a situation in Guyana where the President has in recent months had to announce the lay-off of some 10 000 workers in the Public Service.

And there is a situation in Jamaica where in the last five years or so they have failed the IMF test at least three times; where they have had to devalue their currency by more than 30 percent in recent years and where their unemployment rate is something like 26 percent.

Jamaica with all its natural resources, with its bauxite, with its diverse agriculture – citrus, bananas and oranges, pimento, coffee – its tourism, its manufacturing with all of that, Jamaica has realised no growth for at least the last 10 years, with widespread confusion resulting from the economic situation in that country. Guyana is as bad or worse! I could not believe that the honourable Member was speaking about Barbados.

Now, Mr. Deputy Speaker, let me deal with our relationship with the International Monetary Fund. I think that the first point that has got to be made is that the International Monetary Fund is a prominent institution in the economic life of the World today.

Members of the Opposition would give us the impression that it is some devilish institution, that Barbados alone seemed to have had some dealing with it. You can scarcely find 12 countries in the world, excluding the rich countries of the Middle East, that have not had relationship with the International Monetary Fund in the last 10 years.

And who, Mr. Deputy Speaker, put us in it? The right honourable Member for St. John was the person who, four years after Barbados became independent, joined us to the International Monetary Fund. That is a fact. I am not condemning him for that. It is a fact that he joined us to the International Monetary Fund, and it was the Democratic Labour Party then in Government, which first paid up our dues to the International Monetary Fund, because all club members have to pay dues.

So the question arises, why did he join us? I cannot believe that he did not look forward to the day when we may have to use the resources of the IMF. So rather, Mr. Deputy Speaker, than telling us all of these devilish things about the International Monetary Fund, which really have no relevance to us, we should accept that there is no shame or disgrace in going to the International Monetary Fund.

The disgrace comes in the type of programme that you have to accept from the International Monetary Fund. For example, Jamaica has had to repeatedly accept programmes which told them, in effect, that they have got to change the content and direction of their policies, and be supervised by the IMF. But that is not the position with Barbados.

The IMF has attached two conditions to the Stand-by arrangements which we have with them. We had to enter into an agreement that we could not borrow no more than US$35 million in foreign currency and they put a ceiling on the total amount of credit which the state and the para-statal organizations could get from the banking system. We have passed both tests, and that is a very important point, Mr. Deputy Speaker.

The principal spokesman for the Opposition has been playing hop-scotch with the Barbadian economy, particularly in relation to the International Monetary Fund. A year ago, he said that the country was on the verge of bankruptcy and we had to borrow from the International Monetary Fund. Indeed, we borrowed from the IMF, and when we passed the test about a month ago, and that news reached him, he said we should never have been with the International Monetary Fund. So where precisely, Mr. Deputy Speaker, does he stand? What is his position? Given the options we were faced with when we borrowed from the IMF, what would the Democratic Labour Party have done?

The position is, Mr. Deputy Speaker, that, in the middle of 1982, we were faced with a liquidity problem in relation to our foreign exchange. That is a fact. We had earned foreign exchange, but by September, 1982, the bulk of the earnings had been tied up in the Caribbean Multilateral Clearing Facility. We were like a man who had property, who had money owing to him, but could not put his hand on it at short notice. It was a receivable and he could not get it at short notice.

We therefore had two options. In order to correct the liquidity difficulties that we were facing, we could have borrowed from international commercial banks such as Barclays, the Orion Bank and others, or we could have entered into a Stand-by arrangement with the International Monetary Fund for a line of credit.

Now, to the implications of these options, Mr. Deputy Speaker. Had we borrowed from commercial banks, we would have to pay penal interest rates of 15 per cent and beyond. In addition, the money would have been on a very short-term basis. So apart from the large amount of interest which we would have to pay to the foreign commercial banks, we would have distorted completely our debt profile, and we would have interfered with the maturity structure of that dept profile to

the point that we would have been faced with a debt repayment problem today.

On the other hand, it was available to us to borrow from the International Monetary Fund, at what were then very moderate rates of interest, something like 8 per cent, and repay the money over a longer period. That is precisely what we have done, and the terms and conditions which were imposed on us were very consistent with the policies which we ourselves were pursuing. Those terms and conditions have caused no difficulty whatsoever.

Where are all of these adverse consequences that they told us we were supposed to expect? Why is it that all these grim consequences have not materialised?

You, the honourable Member for St. Michael South Central, were posing as an economic chaldean a year ago and I warned you that time would catch-up with you; that the people would see you for what you are, just a Doomsday theorist, an impressionist.

With the passage of time, we have demonstrated that the country is not on the verge of bankruptcy and that the widespread social disorder and dislocation which you predicted has not come to pass. So, Mr. Deputy Speaker, we can reject the spokesman for the Opposition on this matter for what he is, a scaremonger. That is precisely what he is!
7.00 p.m.

Now, Mr. Deputy Speaker, I want to deal with his charge that Barbados is now severely caught in the debt trap, which gives the impression that we owe so much money that we cannot repay the interest and principal on our loans, and that the situation will just get unavoidably worse. In saying that, Mr. Deputy Speaker, he also proceeded to quarrel with the measuring stick that has been used in the international community for lending to countries.

You know, Mr. Deputy Speaker, as well as I do, that if a customer or prospective customer goes to the bank to borrow for whatever purpose, the bank is concerned with the earning capacity and the present earning level of the customer, and also with the customer's capacity to repay. The fact that a customer may lose his job is a prospect which the bank has got to live with, but at the time, when they make the loan, they will certainly be concerned with your earning level and with your capacity to repay.

In the international community, lenders to countries are concerned with the export earnings of that country, and they fix the lending as a percentage of the export earnings. It is a fact, Mr. Deputy Speaker, that in the unstable world in which we live, the terms of trade can move against the country. If you are producing coffee and bauxite, you may earn at a high level this year and next year you may earn at a low level.

The criteria for lending are open to question and criticism, but the point, Mr. Deputy Speaker, is that they are the ones in use, and by those criteria we in Barbados have a modest and manageable debt ratio. The debt, the amount of money which we owe out, is well within our competence to repay, both in terms of the principal and the interest.

The charge, therefore, that Barbados is caught in a debt trap, is either to demonstrate that he does not understand what is meant by that expression, or – and I would prefer to believe this – he is trying to create panic in the financial community of this country for his own political advantage.

It is important, Mr. Deputy Speaker, that we address our thoughts to Barbados' relationship with the Caribbean Multilateral Clearing Facility. We have been told by the Opposition that Barbados should never have been allowed to become a creditor, and on the whole there has been condemnation of our position in relation to that facility. I want to ask, Mr. Deputy Speaker, to what finer end can a country's foreign reserves be put than for the promotion of its exports, the support of its production and the creation of jobs?

Again, it is important to look at the options which were facing this country. It was open to us to cease trading through the Caribbean Multilateral Clearing Facility. That was an option open to the Minister of Finance and to the Government, but what would have happened? Most, if not all, of the manufacturing facilities out there would have had to close their doors, and those who work therein would have had to be laid off. But we used our foreign reserves to finance manufacturing and keep the door open for employment and production activity. And it is that, Mr. Deputy Speaker, that is being condemned!

We have got to appreciate that we have got ourselves into a very fortunate position in this country. In relation to the Caribbean, we are the biggest producers of light manufacturing goods. That is precisely what the crisis, in part, reflects. Barbados is a leader in the manufacture of light manufacturing goods in this area, and it is because we have been so successful and export so much that we have found ourselves in the present difficulties.

Most exporting countries around the world have found that they have got to lend their poorer trading partners money in order to carry on trade with them.

And that is precisely why the EXIM Bank in the United States, the Export Import Bank, came into being, so that America, as a prominent exporting country, could lend other countries, which wanted to do trade with it, money to import goods.

So, Mr. Deputy Speaker, we have nothing to be ashamed of in relation to our position in the Caribbean Multilateral Clearing Facility. The money is not lost; it is money which is owing to us. In the jargon of accountants, it is a receivable, and I have every confidence that when the economic fortunes of our trading partners improve, or when we get some additional funding for the facility, that Barbados will get its money.

Now, Mr. Deputy Speaker, I think that we have got to look at the way in which we have managed the economy in the last two years. In particular, I want to focus for a moment on agriculture, especially non-sugar agriculture.

In the last Budget, the Government made it very explicit that it regarded non-sugar agriculture as an area which should be used in an attempt to stabilise the economy, because it was immune from the depression tremors which were abroad, and specific incentives were given for the development of non-sugar agriculture.

In the Ministry, most of our energies were directed towards the promotion of non-sugar agriculture, and we are in the fortunate position today in which non-sugar agriculture contributed more in money terms to the GDP of this country than sugar, which has traditionally been a significant contributor. That is the position which we are working to improve upon, because we feel that by the end of this decade, by 1990, non-sugar agriculture can provide something like $50 million in foreign exchange for this country.

We have concentrated on the promotion of Barbadian produce to export markets, and even though we experienced certain difficulties, so great was the production last year, I am happy to announce, Mr. Deputy Speaker, that for the first time, we have a situation in Barbados where we have firm contracts for yams, potatoes, okras, sweet peppers, hot peppers and for ginger – to the point where we can now order our production to meet these firm export contracts.

The Government has put support behind ATCO; we have been financing the management of ATCO, and ATCO in recent weeks has gone out and we have got firm orders from Canada, Holland and the United Kingdom. We are expecting that the farmers will cooperate fully with the Barbados Agricultural Society, ATCO and with the Barbados Marketing Corporation in ensuring that these targets are met and that these export orders are filled.

There are one or two problems still confronting non-sugar agriculture. This area obviously needs an injection of money to ensure that certain facilities are provided. There is need for refrigerated trucks, for graders and for expanded shed facilities at ATCO. We need to have distribution outlets in other parts of Barbados other than at the Grotto.

Through the rediscount facility of the Central Bank, money to the extent of some $½ million will be provided for the Barbados Agricultural Society in the course of this year. So we are addressing the problems in non-sugar agriculture, and working to the goal of non-sugar agriculture producing something like $50 million in foreign exchange for this country by 1990.

7.10 p.m.

Now, Mr. Deputy Speaker, we have omitted, thus far, to mention the fact that, even in the midst of economic difficulties which we have been experiencing, we have been able to give tax concessions in needy areas. We have been able to extend tax credits to many categories of income earners in the course of the Budget. We were able to reduce the upper limit from 70% to 60% and we were able, Sir, to make the minimum point at which you pay tax in this country, $8 000 or thereabout.

Persons working for under $8 000 in Barbados hereafter will pay no tax. That has been one of the provisions of this Budget, a provision which we have been able to introduce in the throes of the economic recession which the entire world, Barbados included, is experiencing. These are positive achievements.

Mr. Deputy Speaker, I want to end on a point on which I started: that amidst all the rationing of credit that has gone on in this country in the last two years, we have not omitted the productive sectors. The rationing was skewed in favour of the productive sectors. We are emerging from this depression and recession with our social fabric intact, and with the productive sectors geared for action.

(Mr. B. M. TAITT: You said that last year. The exact words.)

Hon. Dr. R. L. CHELTENHAM: And I feel, Mr. Deputy Speaker, that there is room and basis for optimism in this country, and that we ought to reject the depression psychology which the principal spokesman for the Opposition would want to envelop us in. There is reason, Mr. Deputy Speaker, for us to look to the future and to look to the massive development projects which the Government is ready to introduce later this year and beginning next year. Then with little luck, and with the success of our economic management to date, we probably should be in sufficiently good shape to finance, in part, these projects, of which much more will be heard in the next few months.

Applause.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Deputy Speaker, I think it is time that we should have a break for dinner. I beg to move that this sitting do now stand suspended until 8.15 p.m. this evening, Sir.

Hon. H. B. St. JOHN: I beg to second that.

The question was put and resolved in the affirmative and Mr. DEPUTY SPEAKER suspended the sitting accordingly.
7.15 p.m.

On Resumption:

Mr. DEPUTY SPEAKER: This sitting is now resumed. The honourable Member for St. Michael South catches the eye.

Mr. L. E. SANDIFORD (St. Michael South): Mr. Deputy Speaker, let me start by referring to the actual Resolution, and let me say at the outset that the Opposition cannot accept the terms of this Resolution as the Government has set it down. We cannot commend the Government for its initiatives; we cannot approve Government's economic and monetary strategies; and we cannot endorse the 1983 Budgetary Proposals, because there are some major undesirable features in those Proposals.

In our view, they offer a mere sop to the poor, they offer some relief to the rich, and very little for the vast majority of workers in between, in the working classes and the middle classes, who are very embattled in this country.

Let me also say a few words at the outset about the Budget by way of general comment. I believe it was a Prime Minister of Britain Harold McMillan who once said, and I quote:

> "To tell the truth, I have often thought of a Budget Day rather like a school speech day, a bit of a bore but there it is."

I will not claim that this Budget has been like a school speech day. I will, however, admit that so far, with the exception of the excellent speech, very cogently put forward, by the Member for St. Michael South Central (Dr. R C. Haynes).....

Laughter.

(Mr. B. M. TAITT: Hear, hear!)

Applause.

Mr. L. E. SANDIFORD.....the Budget has been a bit of a bore. It has been less interesting, less exciting, than previous Budget Debates.

In addition, I would say that this year's Budget is massively irrelevent to the problems, major problems, facing this country – problems of unemployment, a decline in our competitive edge, a failure of our people to find export markets, problems within CARICOM, problems – deep problems – within tourism and, obviously, very severe problems within the public sector of this country. And I believe that by now all persons in Barbados accept that there is a deep crisis facing this country. There is this deep crisis and this predicament permeating the Barbados society and the Barbadian economy.

The Barbados Labour Party has only very belatedly accepted the thesis that we have advanced from out here, that the country has been in crisis. Way back in October, 1981, as patriotic Barbadians from this side of the House, we warned the Government that the country was in deep crisis. Indeed, Mr. Deputy Speaker, I recall moving a Resolution to the effect that the country faced a serious crisis in its economic and public affairs and called upon the Government to set up a highly competent and impartial task force to make recommendations for dealing with that crisis.

In what will go down in the political history of Barbados as the height of short-sightedness and political arrogance, the Government completely ignored the positive suggestions coming from this side. They said that they were the task force and that they could manage! And how well, Mr. Deputy Speaker, have they managed!

Indeed, not all the perfumes of Araby, not all the waters of the Seven Seas, not all the oratory of a Cicero or Demosthenes can alter the fact that the Democratic Labour Party and its leader, the right honourable Member for St. John (Rt. Hon. E. W. Barrow), handed over a sound inheritance to the Barbados Labour Party, and that in those seven years which have followed, seven short but lean years, that leadership over there, the Barbados Labour Party leadership, has squandered that inheritance to the extent that the Government has gone cap in hand to the IMF. Barbados is now a student under the tutelage of the International Monetary Fund – having to pass examinations set by the International Monetary Fund and going into glee when they have passed as though they are eleven plus students.

(Mr. B. M. TAITT: Stroke.)
8.20 p.m.

Mr. L. E. SANDIFORD: Countries do not go to the IMF when their economies are well, they go when

their economies are ailing or when they are perceived to be ailing. In addition, all other countries, that I am aware of, inform their citizens of the steps being taken in relation to the International Monetary Fund. But not so in Barbados, which boasts of its open Government! There have been denials; then there was a suggestion that going to the IMF was no big thing! So we ask, Mr. Deputy Speaker, what are these tests which are being passed if in fact there was no relationship with the IMF?

Then we were told that Barbados got whatever arrangement it was they were seeking for in a very short time – I believe half hour or ten minutes was the time suggested – and no conditions were attached. But still we are hearing now of tests that Barbados has to pass.

Even the Republic of South Africa – let me go to that country – which obtained a massive loan from the International Monetary Fund, had conditions attached to it. There was supposed to be a cutback in budget deficits, slow down in spending, restraint in the growth of money supply limit on bank credit; conditions attached. Therefore, we must admit that the Government has been less than candid with the people of this country; and to that extent, as we practise democracy in this country, the Government must be condemned.

We ask, however, Mr. Deputy Speaker, how did Barbados get into this predicament and into this crisis? It is necessary to understand how we got into that predicament and that crisis if we are going to know how to get out of it.

Let me say that there was an oil crisis in 1973 and 1974. It was the most severe and traumatic economic crisis that the world faced. There was recession, there was a fourfold increase in oil prices, there was a fall in exports, and the Government of the day took defensive measures. The problem, of course, had its roots in the economic international situation prevailing at the time, but the Barbados Labour Party Government blamed it entirely on incompetence of the Democratic Labour Party and the Minister of Finance.

However, with the co-operation of the people of Barbados, we weathered the storm, without any assistance from the Opposition, or the people over there – I am referring to the Barbados Labour Party members – so that by September 1976 when we laid down office, according to statistics put out at the time, the inflation rate had dropped to something like 2%, unemployment was down to 15.3%, the national debt was at a comparatively low figure of $258.8 million, and other economic indicators were pointing to a position that Barbados could take off into a period of sustained economic growth.

Now, Mr. Deputy Speaker, what has been the story after that particular period of time? Inflation has surged, so that the latest figure we have for 1981 and 1982, according to the Central Bank, is that inflation was running at the rate of 14.5% for those two years. The national debt has surged to a figure of some $760 million at December 1982, an almost 200% increase in the short seven year period from 1976. There have been layoffs, there have been closures, there have been bankruptcies.

Mr. Deputy Speaker, we are indeed in a deep crisis. The Government blames the economic international situation for that crisis. Now, the oil crisis of 1979 and 1980 did deal a severe blow to the economies of the industrialised countries, to the economies of middle income countries, like Barbados, and to the economies of the developing countries as a whole. But we must realise that the rise in oil prices for that second oil crisis of 1979, 1980, was only 83% in real terms – only half as large as the increase with which the Democratic Labour Party had to deal during the first oil crisis.

In addition, the world economies had already had the experience of dealing with that first situation, and hence the problems which the current Minister of Finance has had to face cannot be compared with those faced by the previous Minister of Finance (Rt. Hon. E. W. Barrow.) Yet, during that period, the International Monetary Fund did not see Barbados going as a client. We do not mind the point made by the Minister of Agriculture (Hon. Dr. R. L. Cheltenham) about the Democratic Labour Party putting the country into the IMF. That is like saying the Democratic Labour Party joined the United Nations. These are international bodies that you join. The fact is that this country never had to go to the IMF under the Democratic Labour Party, and that this particular Government, the great combination over there, has had to combine and sneak and streak to that particular body!

We are saying that the international situation does have an impact on the economy, and that we have to take it into account. We will not do as you did in the 1973–1975 period, when you said it was all due to the mismanagement of the Democratic Labour Party. We will admit that the international situation has an impact, but we will also admit – and this is what you must be forced to admit now also – that it is the budgetary policies, which are in the discretion of the Government, which also carry a large part of the blame.

Let me say at this stage, Mr. Deputy Speaker, that when we start to look at the proposals in the Budget, there are those who believe that they only have to listen to the words echoed by the Minister of Finance, and that is the Budget! There are a lot of charges, which have been imposed upon the people of this country in this Budget, which have not been read out! The people have just been referred to Appendix I and to Appendix II!

I refer the people of Barbados to Appendix I and to Appendix II as well. I know that what they will discover is that if they want to send a letter to their friend in Trinidad and Tobago, to send a letter to a relative in the United Kingdom, to send a newspaper containing the Budgetary Proposals to an aunt in the United States, they will find that they have to pay much more for carrying out that kind of commercial transaction than they paid the day before the Budget!

But there is more than that: because we have got to understand, and I believe I understand the Prime Minister pretty well. I believe I understand him perhaps even better than his Deputy Prime Minister (Hon. H. B. St. John), because the way I saw the Deputy Prime Minister struggling in this particular debate today, I am certain that, looking at that particular position into which he has been put, he does not understand his Prime Minister! But I understand the Prime Minister very well. I think so.

Let me tell this Honourable House, and let me tell the people of Barbados, because we now have a kind of plebiscitary democracy. Do not mind what goes on in here; we are battling for the opinions and the views of the people out there, and this opportunity is one for us to talk to the people of Barbados. I do not get an opportunity to do this very often, but this is our opportunity, and we are talking to them now.
8.30 p.m.

Let me tell the people of Barbados that the Budget was not only yesterday. We must not be so short-sighted or so purblind. We must follow the little twists and tergiversations of the mind of the Minister of Finance.

Do you believe that the Budget started yesterday? The Budget has been going on since December last year. Let me look at some of the charges which in other circumstances, would have been called budgetary proposals would have been included in the Budget; but they have been imposed piecemeal, gradually, and slipped through here, tacked on there, all with the fine Italian style of our Prime Minister.

Let me just identify some of them. (1) Charges imposed through the Shipping Fees (Amendment) Regulations of December 28, 1982. (2) Charges imposed under the Air Navigation Fees Regulations, 1983. (3) Charges imposed under the Airport Rental of Office Fees Regulations, 1983. (4) The Road Traffic Road Tax Regulation Registration Fee and Permit (Amendment) Order 1983. (5) The Police Miscellaneous Fees Regulations, 1983. This relates to things like certificates of character, final reports, photographs, road accident reports, statements of accidents, stolen property reports and so on. All of these have been substantially increased, but not in the Budget – just before the Budget.

Let me continue. (6) The Film Censorship Regulations, 1983. (7) Non-Tax Revenue areas, and I must put the charges which have been put on the students taking examinations, unnecessary as they are, into this category. There is absolutely no justification for the imposition of those fees, and I question the legality of the imposition. I have my doubts that they have been legally imposed. We have no other taxing machines around.

Then we go on to No. 8 Banks (Tax on Assets), Act 1983–1 and (9), The Stamp Duty (Amendment) Act. 1983. All of these, Mr. Deputy Speaker, are proposals imposed outside of the Budget.

Now if the Minister of Finance had included these in his Budgetary Proposals, instead of that kind of belief that we have out there in the public – "Oh, there is no great imposition of taxes in this Budget" – I think that would create an entirely different situation.

But, Mr. Deputy Speaker, I believe that we have got to be serious in this country. We have got to say, first of all, that, as far as this particular Budget is concerned, it is innocent of telling the people of this country what are the directions and what are the goals to which we are aiming. It does not say anything about that.

We from this side can say that we have to aim at certain basic objectives in this country and try to bring the people of Barbados along with us in trying to create the kind of country in which each one – rich or poor, black or white – can find a place in this society, and can believe, once again, that the goals and the aspirations which they have in life are attainable. And, therefore, we say that we must aim at a high level of employment and output of goods. We must aim at a stable level of prices. We must aim at a desirable level of economic growth, and we must try to find equilibrium in our balance of payments.

Mr. Deputy Speaker, these matters are all achieved in terms of the Budget and in terms of budgetary policy; and if it is indicated that this particular Budget does nothing to those major problems, it is because, we believe, that it is a deliberate attempt on the part of the Government to downplay those particular problems in the circumstances in which the Government finds itself. But we must say that the Budget is not a little game played between Government and Opposition. This is a serious matter concerning the people of this country, because the Budget and budgetary policies affect everybody in this country.

I am therefore calling for a revision of the method by which we deal with the public finances of this country. I believe that there must be a much earlier flow of information to the people of Barbados, and to

the Members of this Honourable House, so that we can assess the Budgetary Proposals against a background of a variety of statistics.

There is no point producing an economic survey or an economic report on the same day, or the day before, Members have to speak, because it does not present time for an analysis and an interpretation of those statistics.

Secondly, there is absolutely no reason why the annual report from the Central Bank of Barbados, let us say, for 1982, is not yet in the hands of the Members of this Honourable Chamber and members of the public, but it is in the hands of the Prime Minister.

I have reason to believe that the Governor of the Central Bank carries out his statutory responsibilities, and I have reason to believe that, without fail, the Central Bank produces the report on time. Now, why is it not available so that Members can read the Central Bank's assessment of how the economy did in the year 1982?

I am also calling upon the Minister of Finance, in the framing of the Budget, to present his medium term strategy at a time before the Budget is actually made. I heard him refer to a medium term strategy in the Budget, that they have a medium term strategy; but in other countries such a strategy is actually produced and people can read it. In this particular case we have to take the word of the Minister of Finance. I for one am prepared at any time to take his word, but I know that Members on this side are not as trusting as I am in this particular regard.

Mr. Deputy Speaker, the problem of the bunching of projects has already been dealt with. I do not propose to go into that because that is a phenomenon that is already well known. We know that those projects were bunched for specific purposes; that, towards the run-up to the elections of 1981, the people of this country were given the impression that there was a high level of employment, a high level of economic activity and a lot of money in circulation, so that they would be in a good frame of mind to let "one good term follow another good term."

Well, that cannot work a second time because if you try to impose hardships now, and hope that the upsurge in the economic situation internationally would create the back-drop against which the Government will then come and tell the people again, "You see we have got you out of this position; we ask you to give us the credit and give us a third term," that cannot work this time.

It cannot work this time because the scales have fallen from the eyes of the people. They now realize that that kind of stop – go operation, and that turn-on of the goodies towards the period within sight of the election cannot work. Our eyes are well open to that particular ploy.

8.40 p.m.

As far as the specific proposals within the Budget are concerned, let me say briefly in the few moments that I have remaining that, specifically, I do not understand the proposals in relation to tourism. All along we have been saying, and there has been a lot of analysis, that tourism is in a very bad state. What the proposals in this Financial Statement and Budgetary Proposals will do, it seems to me, is not to make Barbados a cheaper destination, but in fact, if it has any impact, it will tend to make Barbados a more expensive destination. I pass on from tourism; those who deal with those subjects will be able to deal with that.

When I see the imposts in terms of travel both to CARICOM and elsewhere, the same comment applies. Barbados will become more expensive to live in than before the imposition that we have here.

And when I look around and see that you are trying to get a few thousand dollars here and a few thousand dollars there, bus fares up and all these different imposts, and that we bought one ship – $7 million is the cost of that kind of boat – the Trident, 37.5 mm, ability to carry Breda Bofars guns, surface to surface missiles, it can carry the Exocet missile, you know the one that was used in the Falkland Islands, you can put on a helicopter deck, I wonder what is really happening in this country! Why do we have to spend that kind of money for that kind of boat, and then we come to impose all kinds of imposts? Why do we have to do these things?

It seems to me, Mr. Deputy Speaker, that we have our priorities wrong. Is this a Government that really cares for the people of this country, that can buy that kind of boat and spend that amount on military expenditure? I believe that something is wrong.

And I believe that whenever we count the cost, at the end of it, we will find that the people of Barbados as a whole are worse off as a result of these particular budgetary measures than they were before.

I believe some $30 million in taxation – and I am concluding now, Mr. Deputy Speaker – are being imposed; and those who get a little berry off here and there must realise it. And let me enunciate the law for them: what the Minister of Finance gives with one hand, he first takes away with the other hand; and that is exactly what is happening as far as this year's Budget is concerned.

Hon. V. L. JOHNSON (St. Michael West Central): Mr. Deputy Speaker, if I were asked to characterise the

speech of the honourable Member for St. Michael South Central (Dr. R. C. Haynes), I would characterise it as a rambling rampage of rhetoric, full of sound and fury, and signifying nothing. If I were asked to characterise the speech of the honourable Member for St. Thomas, the right honourable Prime Minister (Rt. Hon. J. M. G. M. Adams), I would be inclined to go into the byways and hedges of this nation and ask the people of Barbados who sat yesterday evening and listened to his pronouncements, to give us an impression of the Budgetary Proposals, because my ears are to the ground and I hear a great deal of what transpires in this nation.

The honourable Member for St. Thomas yesterday evening dumbfounded and confounded not only the members of the Opposition, but all the people of Barbados who had been led to expect that torrents of confusion and torrents of taxation would cascade down upon the heads of the people of Barbados; and they were all surprised to discover that all we had was an expression of humanity, the sane and purposeful management of a man who had accomplished himself with a transaction of this nature for the past six or seven years.

I do not believe, Sir, that it helps any of us to believe that the people of Barbados are not themselves, capable of making a purposeful analysis of what transpires in here. I believe that unfortunately, sometimes those of us who have been elected to higher office create the impression in the minds of those who elected us that we do not nave a great deal of confidence in their capacity to analyse for themselves the complex issues with which we seek, sometimes, to confuse them in this Honourable Chamber.

I believe, Sir, that every taxpayer in Barbados, be he in the bottom, middle or upper echelons of the tax bracket, is capable of analysing for himself the substantial rebates which he experienced in yesterday's Budget. I believe that every old age pensioner is perfectly capable of calculating meaningfully the relief that has been granted by the reduction in the cost of kerosene. These are not figments of anybody's imagination, these are real happenings that show the people of Barbados the attitude of this party which has been asked to govern.

The honourable Member for St. Michael South Central characterised the Budgetary Proposals as an insult to this nation. I sometimes wonder how it is possible for a man of such high learning to allow himself the departures from sanity which he so often engages in in this Chamber, departures that would enable him to characterise this Budget as an insult to this nation.

I believe that he, himself, does not believe that the Budgetary Proposals can be meaningfully characterised in these terms, but it is his custom, it is his wont, it is his style, to seek to confuse and to mislead, and day after day he comes into this Honourable Chamber seeking to mesmerize people with a memorised speech on the International Monetary Fund. Like some fiscal doom seer, week in, week out, from morning until night, he is constantly parading on this International Monetary Fund and the recklessness of the honourable Member for St. Thomas, who with reckless abandon has led the people of Barbados into chancery.

He would have us believe that this nation is worse off now than it has ever been in its history. But I submit, Sir, that if we had to go to the people of Barbados, the ones whom we are trying to persuade that they themselves are capable of drawing their own conclusions if we had to go outside tomorrow and ask them again for a vote of confidence, we would receive it.

I do not think, Sir, that we should be bothering ourselves with all this talk of an economic inquisition. I believe that the people of Barbados should by now begin to appreciate that there has to be some reason why sane people, in sane times, would opt to seek membership in the International Monetary Fund. The honourable member for St. John (Rt. Hon. E. W. Barrow), the former Prime Minister of this country, in times which he himself has described as good, elected on his own initiative to seek and procure membership in the International Monetary Fund.
8.50 p.m.

I believe, Sir, that it is time for the people in Wavell Avenue, Fairfield and all around to know that almost every independent country in the world is a member of the International Monetary Fund. If every independent nation in the world is a member of the International Monetary Fund, and if the International Monetary Fund is an agency of the United Nations, there can be no disgrace in seeking to use the facilities available through that Fund. We joined it voluntarily – on our free choice – because we anticipated that at some point in time, it would possibly be necessary for us to seek to use the resources available to us for balance of payments support.

Barbados is a great nation. It is governed by a great political party. But even with those two factors going for it, it does not live in isolation in the world, hemmed in by some high wall. It is part and parcel of the entire world. Barbados is an island, but it is not entire unto itself. It is a part of the economic main, and, consequently, what transpires outside is almost inevitably going to have some impact upon what happens within the shores of Barbados.

The United States of America has been passing through one of the severest recessions since the 1930s.

In Canada, interest rates soared to 22%, and thousands upon thousands of people lost their homes as a consequence of interest rates gone mad.

In Barbados, Sir, I can stand on the Floor of this Honourable Assembly and say with confidence that there has not been a single person, to my mind, to my memory, to my consciousness, who has had to lose his house because of the reckless vicissitudes of interest rates gone wild. These are factors which the people of Barbados must deal with, and I believe that any honest Government has a responsibility, in analysing the financial fortunes of this country, to put that to the people of Barbados.

The honourable Member for St. Michael South Central, the principal spokesman on the Budget, talked about the iniquitous policy of wages suppression. Mr. Deputy Speaker, it is fashionable in these times for those of us who seek to gain the public's confidence to stand up in this Honourable Chamber, and outside of it, and seek to persuade people that we can continue to survive as a nation by indulging ourselves in all kinds of recklessness.

But, Sir, the mark of greatness in any country is its capacity to be a disciplined and governed institution. Barbados is a disciplined nation, and it does not suit for any person to stand in this Honourable Chamber and seek to tell people that, in the face of international recession, we must still continue to pay wages beyond the capacity of the country to sustain.

In the United States of America, reeling under the vicissitudes of its own problems internally, trade unions, acting responsibly, have had to advocate to their members that they seek to settle for a reduction in wages – Sir, not an increase, a reduction in wages. The United Auto Workers Union, which negotiated for the automotive people on behalf of Ford and General Motors, persuaded its members to accept a cut in salary in order to save jobs during the recession in the United States, during the course of the last year.

But that has not happened in Barbados, because even though inflation has been progressing at a rate which the honourable Member for St. Michael South Central said was 14% – it is not 14%, it is more like 10% – in spite of that, almost every wage settlement in this country during the period 1982 – 1983 has been running well ahead of inflation. This means, Sir, that the workers of Barbados, far from being worse off, have been better off. This is not a figment of my imagination, Sir. These are the facts as stated by the Economic Report of Barbados, 1982, which is available to everybody in this Honourable Chamber.

But we seek to sensationalise, we seek to mislead, we seek to confuse people. And I believe, Sir, that the only thing that saves this nation from panic and from chaos is the solid latent sense of the people of Barbados. And I will.....

Asides.

Hon. V. L. JOHNSON: My colleagues are telling me that it is not latent, Sir, it is very active. It is very active and alive. The average man in the street is a philosopher. He understands. He is not going to be able to come in here and spew out a lot of figures and hold up charts, like the honourable Member for St. Michael South Central, holding up charts like a bashful schoolboy participating in an acrostic, or to come in here and say that he does not believe the statistical report that we publish, even though he himself, when it suits him, quotes from this same document – but when we direct his attention to other aspects of this document, he then says that he does not accept those figures.

On prices, he says that he will make bold to state that international agencies will put the rate of inflation in Barbados at more like 20%. That, Sir, is reckless indiscipline. That is irresponsible conduct. That, Sir, is straightforwardly misleading the people, because the facts are here stated. We do not have to go and look to international agencies to tell us what is going on in Barbados. We have institutions, the Central Bank, the Government statistical agencies, to inform us about what is happening in this country.

Now, Sir, they tell us that we on this side must feel guilty for raising bus fares to 75 cents. Mr. Deputy Speaker, I am Minister responsible for Transport, and all I have heard since yesterday evening, from everybody to whom I spoke, was that people were looking for bus fares to be in the area of a dollar. But because of the fact that we are a disciplined party, concerned about the plight of people, we made the conscious decision to keep bus fares reasonably in line.

I would like to remind the public of Barbados that when they were still in power in 1975 – I am talking, Sir, of eight years ago – eight years ago bus fares in Barbados were 65 cents to the farthest destination. Sixty-five cents to Pie Corner, 65 cents to Bayfield, 65 cents to Ellerton, 65 cents to Silver Sands – that was the bus fare in 1975!

In 1983, eight years afterwards, bus fares in Barbados are only ten cents more than they were under that Party, which is now telling us that it is a crying shame that we are able to hold bus fares to 75 cents.

(Mr. B. M. TAITT: Thirty-five cents, man.)

(Mr. P. M. GREAVES: That is not correct. Absolutely incorrect. Very wrong.)

(Mr. B. M. TAITT: The PUB)

Hon. V. L. JOHNSON: The fact is that we raised bus fares to 75 cents for adults. We have purposefully kept fares at 40 cent and 60 cents for the school children of Barbados.

The honourable Member for St. Michael South Central speaks of a public debt trap that we have put Barbados in. He talks about surrendering our sovereignty to the International Monetary Fund. I would like to ask the people in Wavell Avenue this, because I am not talking to honourable Members on that side, they come in here and seek to persuade the people of Barbados to believe that they are economists, and they sit down here and talk a complex bevy of nonsense, seeking to mesmerise us in here with the confusion of words and figures without themselves understanding one wit of what they are saying – I am asking the people in Fairfield tonight, Sir, when you go to the bank to borrow money for some constructive purpose and the bank asks you to bring along your papers as security, do you describe it as surrender of your sovereignty? If you seek to use the resources of a lending institution, it is only reasonable to expect that that institution is going to ask you to put forward some mechanism which will guarantee that they will get their money back, so I do not know what nonsense they are talking about!
9.00 p.m.

When the policemen go to the credit union to which they belong, and the credit union says, "You want money to buy a car, we will lend it to you, but we must have a bill of sale on that car, and you cannot sell it without our permission," what do they say? Do they say, "We are not going to let you hold a bill of sale on the car?" They recognise, Sir, that if they have the funds, there are going to be conditions put on.

Sir, Barbados has been characterised as being irresponsible for going to the International Monetary Fund when it did. When the Prime Minister and Minister of Finance decided to go to the Fund, he was acting prudently and responsibly. It would have been more to their liking if he had waited until we got in the position that Guyana is in, so that you could go around every nook and cranny in Barbados and cry from the roof top that the Barbados Government is irresponsible and we allowed the country to go into insolvency first before we sought to use the facilities of the Fund. But because we acted responsibly and were able to forecast difficulties down the road, and like any prudent manager, because we sought to use that forecasting capacity to go and take precautionary measures to prevent Barbados from being in the same situation that Guyana and Jamaica find themselves in, they come in here and tell us that we are acting irresponsibly.

Mr. Deputy Speaker, you are damned if you do, and you are damned if you do not. We in this party, on this side, will continue to put our reliance in the people of Barbados. We do not look to that side for approval; we look to the people who sent us in here, and when they say they do not any longer subscribe to the things we do, then we will take up our packages and go home. But I am submitting to you, Sir, that every man in Barbados with the capacity to reason for himself recognises that Barbados is in the hands of competent people who are able to continue to sail tall in a sea of turbulent waters.

You know, Sir, when we go to Annual Conference every year the Women's League of this party are fond of singing a song, "The right hand of God is leading in this land." Don't you forget it, Sir, don't forget it, Sir! The people of Barbados put us in here under the signature of God himself to rule this country, and rule we will continue with God's approval, and when He withdraws that hand of approbation, then we will go ahead and hang our heads in shame, or whatever else.

But we will continue to rule this country in the spirit of Romans Chapter 13. You go home and read it! We are not a terror unto good, we are a terror unto evil; we will crush out the serpents, we will tread down the serpents that confound this nation; we will stomp hard on unemployment; we will continue to do what we have to do to make sure that the people of Barbados continue to hold their heads high and walk tall in this nation, so that every country, not only in the Caribbean, but in the world, recognises that small though we are in size, we are big in deed and spirit, big in heart, and big in capacity to rule in the face of troubles all around us.

(Rt. Hon. E. W. BARROW: Alleluia! Amen).

Hon. V. L. JOHNSON: Alleluia, Amen? Do not say Amen yet, I am not finished yet.

The right honourable Member for St. John rode, like a buccaneer, a bronco over the people of Barbados for 15 years, and he, drunk with power, turned on the people of Barbados, those people who had themselves given him the honour to rule them, and he poured a torrent of abuse on them. When it came to taxes, he said, "when I want a million dollars, I raise a million dollars." He did not care where it came from, and when he put on that iniquitous Sales Tax, I did not hear the voice of a single Member on that side when every old lady, out of the $13 she used to get as old age pension in those days, had to pay Sales Tax. The Sales Tax was

also on drugs, on the little old lady bending down with a stick, earning $13 a week.

Aside.

Hon. V. L. JOHNSON: Never mind on what; you know, you put it on.

The first time that Barbados ever heard of a Consumption Tax, it was the honourable Member for St. John who was consuming the people of Barbados with a Consumption Tax. He was the one, Sir!

I want the people of Barbados to realise that governing is not any easy exercise. We can sit down in here and tell you that we will give you pie in the sky, we can tell you that we will banish all cares. That will come, but it is not coming in this dispensation – that is on the other side. Down here, Sir, we as a nation, have to learn how to discipline ourselves and deal with situations that are to our good, and situations that are to our detriment. We, as a governing party, must learn how to chart a careful course between the shoals and guide our people. We must let the people of Barbados know that there are times when sacrifices are going to be necessary. We must let the people of Barbados know that, whenever it is possible, they will enjoy good times, and we will let them know that whenever times are bad, we will do our utmost to minimise the ravages of that evil.

Sir, I believe that the time has expired, and I will have now to, as we say on this side, come home, but I would like to come home with an assurance; and as I reflect upon the 15 years of terror through which this nation passed under the hands of the honourable Member for St. John, and as I look down the corridor of time and recognise that as the honourable Member for St. Thomas said, there is a light, I can say with Martin Luther King, Sir, "free at last, free at last, thank God Almighty, I am free at last."

Cheers.

9.10 p.m.

Mr. H. A. BLACKMAN (St. Philip South): Mr. Deputy Speaker, we have just been treated to a very nice speech from the honourable Member for St. Michael West Central (Hon. V. L. Johnson). The only thing is that his speech would be more appropriate in the church than in the House of Assembly.

I find it passing strange, Mr. Deputy Speaker, that the name of God is only remembered and used by honourable Members over there when the television cameras are in here. It is time that we in here recognise that there is a God always and not only when the television cameras are in here.

Mr. DEPUTY SPEAKER: Order, please.

Mr. H. A. BLACKMAN: Mr. Deputy Speaker, there is only one other thing in the honourable Member's speech to which I would like to refer. He mentioned busfares. Under the Democratic Labour Party, the Public Utilities Board took bus fares up to 65 cents. The Democratic Labour Party took the decision out of the Public Utilities Board's hands and made it 25 cents because we thought that 65 cents was unconscionable. That is the history of the 25 cents bus fare.

The impression being given by honourable Members on the other side is that the taxes this year are not severe. There are three comments I will have to make on that point.

The first point is this: I would like any honourable Member over there to tell me, either in September 1981, the last day of March last year, or this year, any single thing that has not already been taxed.

You see what is happening in Barbados, Mr. Deputy Speaker, is that the Prime Minister has found himself in a bind. The Prime Minister realizes, even if the other honourable Members over there have not realized it, that the people of Barbados cannot pay any more taxes; and what is happening is that the Prime Minister, having realized this, came this year with a few taxes and with a few little things to soften the blow on the people of this country.

Never in the history of Barbados have the large department stores in town found it necessary to send out so many final notices. Never in the history of Barbados have so many people had their electricity disconnected. Never in the history of Barbados have so many people had their telephones disconnected. Never in the history of Barbados have so many people had their water disconnected. And the Prime Minister knows all of this!

Honourable Members over there are speaking as though they were not living in Barbados. But what has happened to those honourable Members over there is that they have removed themselves too far from the people. If they had not removed themselves so far from the people, they would be hearing what the people are complaining of. That is how a Government should operate.

The Government should operate for the majority of people, but what is happening, Mr. Deputy Speaker, is that the Prime Minister seems to me to be going all over the world, checking on all the tax systems, and wherever he can see where revenue is coming in to the Government, no matter how reprehensible that tax is, he is coming and foisting it on the people of Barbados. And what makes it even more nauseating is that, just before he imposes this taxation, he always prefaces his remarks with, "Barbados has the lowest bus fares, we have the

highest severance payments" – as though Barbados existed on Mars; Barbados is some place peculiar!

Under the Democratic Labour Party, people in Barbados were taxed according to their ability to pay. Now, you are taxed according to what people outside are paying. This is the new brand of taxation in Barbados.

What has happened since 1976, Mr. Deputy Speaker? Under the Democratic Labour Party, there were persons who had some savings. Now, today, those persons with savings, between pay days have to go into their savings to exist. What I tell you I know is a fact. And those persons who existed only on their monthly salaries, between respective salaries they are existing on borrowings, with the consequences that after pay day, when they have paid back what they have borrow d, they have to start back borrowing all over again.

This is the situation in Barbados, but it would appear as though persons over there do not know that this is going on. The result of all of this is, Mr. Deputy Speaker, that whether you are in the middle or lower class, that in Barbados, you are being systematically destroyed.

I would like to make one comment in relation to the Minister of Agriculture (Hon. Dr. R. L. Cheltenham). I believe that he is doing a good job, but I do not believe that the Minister of Agriculture should go over board in making speeches in here about agriculture.

Only recently we have heard complaints about the Government importing thousands of pounds of chicken into Barbados and creating a glut. You have heard of them importing thousands of pounds of onions, creating a glut; and you have heard complaints from farmers in this country about what is happening.

I have stated on more than one occasion that what makes agriculture great is the marketing system. It does not matter how much you are producing, if your marketing system is not operating well, you are defeating the whole purpose.

I would like to say something about extension officers. Time was when I would hear that on a Thursday night there would be an extension officer speaking at St. Martin's, and farmers in the area were asked to attend this important meeting.

It is over two years that an extension officer has not been in St. Philip. I am telling you, because farmers complain to me all day. This is what is happening in agriculture, so I am telling the honourable Minister of Agriculture that he has to be careful and do not go overboard when he is speaking about agriculture.

Another point, Mr. Deputy Speaker: Barbados has always had firm contracts for onions, yams and other non-agricultural products – up until the Barbados Labour Party over there interfered with it.

This Budget, Mr. Deputy Speaker, has addressed none of the problems existing in Barbados today. Housing, I believe, is the most crying need of Barbadians today, and this Budget has done nothing to redress the problem in housing.

The Prime Minister has taken taxes off shingles. How many houses in Barbados today use shingles on their roofs? Even if, as he says, it is an incentive to keep the old buildings, I am sure that the people with those old buildings would put galvanise tops on them. It would have been a lot better had the honourable Prime Minister taken off the Consumption Tax from galvanise, because thereby he would be helping people who want to build houses build houses. It would be cheaper than taking the Consumption Taxes off shingles. 9.20 p.m.

On tourism there is nothing at all in terms of incentives. In manufacturing, instead of an incentive, he puts on more duties, and there is nothing at all to redress the problems in Barbados today.

Earlier, I mentioned that the Prime Minister had already taxed all there was to tax, except those things that had a trade off, and now I turn to the trade-off.

When I first heard about this severance payment, Mr. Deputy Speaker, I wondered who or what group of persons the Cabinet over there were getting at. When I heard the Prime Minister's speech yesterday, it was then I realised what the trade-off was. The honourable Prime Minister has slapped a tax on Cable and Wireless of $¾ million, and to soften the blow for Cable and Wireless, what the honourable Prime Minister seems to say is that you do not have to worry to pay the tax, because I am making it so easy for you that you can fire 30 people; and for every three that you fire, you are getting back one free.

That is the sort of situation that is happening in Barbados today. For every three that you fire you are getting one free. That is perfectly correct. That is how you operate. That is your view about bringing in taxation on severance pay, and now, as an afterthought, because the unions started to keep noise in Barbados, you are saying that up to $25 000 you pay nothing, between $25 000 and $50 000 I am taking 30 per cent, and over $50 000 I am taking 50 per cent. That is an afterthought.

This Government seems to operate on afterthoughts all the time. When you increased the bus fares in 1981,

when you realised that it was murdering the poor people in this country, you came and told them if it is too tight, go to the Welfare Department. Now you have put on the $40 in education, you tell them if it is too tight, go to the Welfare Department.

This is how you operate all the time. The poor people must always be poor and embarrassed. What you are telling a poor person is that if he cannot pay this, he should go to the Welfare Department; if he cannot pay that, go to the Welfare Department. What are you making of people? You are disgracing people! That is what you are doing!

I believe that this plan on severance pay has deeper implications, because I am saying that it seems to be a deliberate plan by this Government to cause people to be made redundant. There was the closing down of the polyclinics. No matter how long you worked, severance pay would be $25 000. You had five nights a week for nurses working with the overlap. You can imagine how many nurses would have lost their jobs. People have not gone into these things and thought them out. You have to think out what is happening. I believe that these things have deeper meaning.

I turn now to the GNP, Mr. Deputy Speaker. The honourable Prime Minister likes to say how Barbados has this high GNP and GDP, higher than this country and higher than that country and all this sort of thing. The honourable Prime Minister never tells us what the price level has gone up by; he has never told us how the price level has gone up.

What I would like to know is this: is the man at the bottom getting his fair share of the GNP? That is why I was very glad when my colleague, the honourable Member for St. Michael South (Mr. L. E. Sandiford), mentioned the $13 million spent on the Trident, because we have to understand that the GNP or the GDP include all these things.

In Iran, the Iranians had a high GNP, but there were thousands of people living in squalor, because the Shah of Iran built up a massive army and air force; so because the GNP is high, it does not mean that social welfare is high. It does not follow. That sort of thing has gone through the door.

I would like to ask this: how am I going to convince the people in my constituency that they are getting their fair share of the GNP? There are people in St. Philip, in Rices and in Kirtons, who sent letters to the Ministry of Communications and Works over two years ago asking to get roads fixed, and have been solemnly promised by the Ministry of Communications and Works that they are going to fix the roads in the new road building programme. There have been about three new road building programmes since then, and nothing has been done.

How am I going to convince the people of Gemswick that they are getting their fair share of the GNP? Instead of fixing the roads in Gemswick, you have stopped the buses going through there. Tell me how I am going to convince them!

Mr. Deputy Speaker, I turn now to the IMF. I am not going to speak very much on it, because I am no authority on the IMF. I will allow the authorities to speak on it. I just have some brief comments to make, and the comments I will make are comments I have been hearing from persons who understand as much about the GNP as I do.

For years, Mr. Deputy Speaker, the honourable Prime Minister and the Governor of the Central Bank have been conditioning us in Barbados, pushing us into the situation whereby we had to understand that the IMF was not a good organisation to find yourself borrowing from. I very well remember the words of the honourable Prime Minister on three different occasions – that he has so managed the economy of Barbados that we have been able to escape the clutches of the IMF. Words like those are intended to drive fear into any person, because the only time you hear about "clutches" is when you talk about alligators or crocodiles; so we were conditioned to think of the IMF as an organisation we should keep out of. Now that we have gone to the IMF, we are hearing that there is nothing wrong with the IMF!

One honourable Member over there even said that the Democratic Labour Party took Barbados into the IMF. That is perfectly true. We were taken into the IMF by this side, but I will tell you why we were taken into the IMF by this side. It was because we knew you would have taken over and you would have gone to it to borrow money! We knew that you would do it! We realised that you have no thought and ability and you would need the IMF! We realised that sooner or later the Barbados Labour Party would have taken over the Government and all the great combination that did not know what was going on would have to go to the IMF! It is as simple as that!

But there is more. There was a report by the New York correspondent last year that if the measures taken by the honourable Prime Minister in September did not do the necessary things they were intended to do, the measures would get even stricter.

9.30 p.m.

What happened was that the Rt. Hon. Prime Minister in an interview with that gentleman, trying to discredit that report, told the reporter that it was some

speech made by some back room official of the IMF. The New York correspondent retorted that it was no back room official, it was a document of the IMF. If you recall, the Prime Minister in reply to that said, "Do you prefer to believe a document of the IMF or the Prime Minister?" That is what the Rt. Hon. Prime Minister said.

But now I am seeing in the Budget Speech on page 21 that the Prime Minister is saying:

> "Fortunately, I do not have to use my own words further to describe the fact that it is entirely false, since an IMF official speaking in Paris on April 13, to a meeting of donors of the Caribbean Group in Economic Development specifically denied the rumours in the Press"

The Prime Minister told the New York correspondent, "do not believe the IMF official." Now the Prime Minister is using an IMF official to substantiate what he has been saying. You cannot have it both ways. It is as simple as that.

The impression being given by honourable Members over there – and this is the impression that has been given for the longest time – is that the IMF has one set of rules for all other countries and another set of rules for Barbados alone: "No country has ever had it so soft." "The measures they have put on us are negligible".

The IMF does not have two sets of rules for people. What has happened, Mr. Deputy Speaker, is that the right honourable Prime Minister, a very intelligent man, realising that he had to go to the IMF, took certain measures in 1981, and having taken those measures in 1981, knew that when he had to go to the IMF, most of the measures that the IMF would have imposed would have already been imposed. And the Economic Memorandum of Barbados, written by the World Bank, confirms everything I say, because right throughout that document you will see that the measures have already been implemented.

So it has nothing to do with Barbados getting any lesser terms than anybody else. The Prime Minister is a very intelligent person. You know that if you go to the IMF, they are going to put on certain restrictions on you, so you put on most of the restrictions before you go and they would not have to put them on, but they are still there. That is what has happened.

Aside

Mr. H. A. BLACKMAN: I would not say they are tricks. I am saying that it might be expedient exaggeration, but not tricks.

The IMF suggested five measures to Barbados:

(1) A reduction of non-economic bus routes.
(2) Scrapping of old, inefficient buses.
(3) Elimination of conductors on buses or multiple rates rather than a flat rate fare.
(4) Some increases in bus fares.
(5) More rapid increases in water rates.

Mr. Deputy Speaker, the only one of those IMF recommendations which has not yet been carried out is the third one, "Elimination of conductors on buses". Look out this year! Look out later on this year! That is the only measure that has not been carried out!

They are blaming the honourable Member for St. Michael South for water rates increases. Every Budget they put the blame on the honourable Member for St. Michael South. But this IMF document recommended that there should be more rapid increases in water rates. It has nothing to do with the Member for St. Michael South .

Mr. Deputy Speaker, we also had a very amusing statement in here by an honourable Minister from the other side, that Barbados' going to the IMF actually increased our credit rating. Now, Mr. Deputy Speaker, if you carry that statement to its illogical conclusion, what you will come to is that those countries which, through good and prudent financial management, have no reason to go to the IMF, their credit rating has not been increased. How ridiculous can you get? How ridiculous can you get? Going to the IMF and borrowing has increased your credit rating! An honourable Minister over there said that!

Mr. Deputy Speaker, as badly as Guyana is doing only on Tuesday, President Forbes Burnham kicked out the IMF. As badly as they did, he kicked out the IMF! It came over in the news yesterday evening at 3.00 o'clock. The IMF people were in Guyana on Monday and on Tuesday, and yesterday Forbes Burnham kicked them out. He gave a report which was broadcast in the 3.00 o'clock news, and he said – I will use his words –

> "The only thing they did not want him to increase taxes on is the air outside."

Those were the words on the news yesterday – the air outside! That is the IMF that we are dealing with!

What is happening in Barbados today, Mr. Deputy Speaker, is that every serious policy we have to carry out today has to be sanctioned first by the IMF. And you better believe it, because it is true.

I do not pretend to be able to tell the right honourable Prime Minister when he should announce Budget Day, but I find it passing strange that the right honourable Prime Minister could not have announced when

Budget Day would be until he had been up in New York and Washington. The same night he came back, he announced that the Budget would be next Wednesday.

He met with Europe Williams and all of them up there. He could not announce when the Budget Day would be until he had gone up there and got everything confirmed and sanctioned. Then he came back and said, "Look, Budget Day would be next Wednesday." We have to understand what is happening.

Now, you are hearing.....

Mr. DEPUTY SPEAKER: There is a point of order.

Rt. Hon. J. M. G. M. ADAMS: Mr. Deputy Speaker, I do not want to interrupt any honourable Member, especially an honourable Member whose words are flowing so freely, but it is untrue to say that I have been to Washington. I have not been there perhaps for two years.....

(Mr. P. M. GREAVES: New York.)

Rt. Hon. J. M. G. M. ADAMS: I would ask the honourable Member not to provoke honourable Members on this side by a continual flow of things that have no basis in fact whatsoever.

Mr. DEPUTY SPEAKER: Would the honourable Member for St. Philip South continue now, please.

Mr. H. A. BLACKMAN: New York. New York, Mr. Deputy Speaker. They met him in New York.

I was saying, Mr. Deputy Speaker, Sir, that everything we are doing now of consequence has to be first sanctioned by the IMF. And now we are hearing that this beautiful country of Barbados is passing tests. Passing tests? Are we sitting Eleven-Plus exams? And people are bragging that they have passed tests with flying colours as though this is something to brag about. That is what you have been hearing in here. This is a country that we are talking about. This is not one little fellow sitting an exam anywhere, where you hear that he has passed with flying colours. This is a country, and they are bragging about how they have passed this test with flying colours.

Mr. Deputy Speaker, I would have preferred that Barbados remained out of that IMF and we would not have to pass any tests with any flying colours. We would be controlling our own destiny here. And I am still convinced that if we had prudent financial management, we could have got out of the morass that we were in without going to the IMF.

Finally, Mr. Deputy Speaker, I believe that governing a country is more than just receiving taxes, and more than just giving incentives. I believe that in governing a country, one has to keep the confidence of the people. But what has happened with this Barbados Labour Party is that it has forgotten all the things which have brought it to power.

This Government was brought to power with promises of cleansing the Augean stables, promises of bringing back morality to Government, promises of ridding CBC of political patronage. This Government was brought to power on all of those things – and all of them have gone through the door. At CBC today, Mr. Deputy Speaker, professional management has gone.

So I would say, Mr. Deputy Speaker, that I find it very difficult to support this Resolution, because I do not believe that the Government has done a good job – the Budget has addressed none of the problems facing Barbados today.

Thank you, Sir.

Applause.

9.40 p.m.

Hon. L. S. CRAIG: Mr. Deputy Speaker, it is the consensus on this side of the House, and I have no doubt in my mind that honourable Members on that side of the House would support this side of the House, that the honourable Member for St. Philip South be allowed to speak for another 45 minutes, Sir. It is the concensus on this side, and with the pleasure of the House, Mr. Deputy Speaker, I am quite sure that if a motion is put, we are going to support it. We are very very happy with his speech.

Mr. DEPUTY SPEAKER: I am afraid that we can only accommodate such a move if there is a motion and it is carried to that effect, but we are operating under a particular Resolution. If the Leader of the House so desires that such a motion should be moved, he should do it now.

Hon. L. S. CRAIG: Mr. Deputy Speaker, there is precedent for it, because I remember some time in 1968 or thereabout the Leader of the Opposition (Rt. Hon. E. W. Barrow), then the Minister of Finance, had moved a motion at that time for Mr. Lloyd Smith to speak for an additional hour or so. That very time he had cut the wires with a pliers. I have no doubt that we on this side would like the honourable Member to speak a little longer, Sir. We have no objection on this side.

Mr. DEPUTY SPEAKER: The honourable member for St. George South will now address the Chair.

Hon. L. R. TULL (St. George South): Mr. Deputy Speaker, the debate so far today has been characterised

by some pathos, some humour, and not a little bit of triviality. I am a little bit ashamed that I have to sit down in this Honourable Chamber in a debate on the Budgetary Proposals and hear the type of contribution that has just been made by the honourable Member for St. Philip South (Mr. H. A. Blackman). It would be a waste of time for me to try even to address the questions that were raised by the honourable Member.

When he freely admits that the Democratic Labour Party, the then Government, joined the International Monetary Fund only because they knew that we would take over the Government and they would be facilitating our entry into a borrowing arrangement with the Fund, what can anyone say? I do not know what I can say to that; I prefer to deal with the debate as it started earlier in the day.

The spokesman for the Opposition (Dr. R. C. Haynes) gave a long statement in which he travelled from one end of the world to the other, and he dealt with a lot of esoterica that neither he nor the people who listened understood – I freely admit that I did not understand. He used a lot of expressions, a lot of phrases and a lot of concepts that were alien to the ordinary person, and there is no doubt at all that when he made the admission that there was only one economist in this Honourable Chamber, he was, in a rare moment of humility, admitting to his own ignorance. Nonetheless, he did not stay far from being the exponent that we have come to know so well, the pompous know all.

What we heard from the honourable Member, Mr. Deputy Speaker, was that you should not tax any more, Barbados is heavily taxed, so reduce taxation. He also said you should not borrow any money because we are getting too deep into debt. He also said we should spend more money on services. He has repeatedly said in here that we should spend more money on salaries; he said today there should be no wage restraint and we should provide more services. He dealt with the roads, he dealt with the schools, he dealt with health services.

He said that we must spend more money on everything, but at the same time, we must reduce taxation. We are taxing too much, so we must have less money, but we must spend a whole lot more. We must not borrow any money, according to the honourable Member, because now we are $780 million in debt and we have passed the point where the debt service ratio was a conscionable one.

I do not understand that, Sir. I cannot understand how you can talk to intelligent people in Barbados and tell them reduce taxation and collect less revenue, do not borrow any money, the Government is borrowing too much money, but spend a whole lot more money on every conceivable service. That is the gist of what I picked up from one hour and 45 minutes of contribution of the honourable Member.

But it is a little bit more than that, Sir. These debates are held, and I believe that they are televised, to give the public of Barbados an understanding of the pressing and urgent economic problems of our time. It is not to provide a circus, it is not to provide an opportunity for the type of political platform speeches such as we just heard; it is an opportunity for a careful analysis of the situation in which this country finds itself, so that we can discuss with all Barbadians the difficulties and the successes of this country.

The Minister of Finance (Rt. Hon. J. M. G. M. Adams) yesterday, in a very even-handed presentation, spent a long time in explaining the difficulties that have occurred in this country in the past year or two. He did not hide and lie about anything, Sir. He said unemployment had increased, he explained all the situations that had arisen as a result of a very serious world financial order – he did not shield it from you. He said here are the difficulties, here are the problems with the rate of growth which has been negligible, here are the problems with tourism – we have lost several thousands and tens of thousands of tourists in the past year or the past two years – we have had the numbers of the unemployed go up, we freely admit the difficulties, and I believe people will appreciate any honest effort to explain the difficulties and the shortcomings, and then to put forward proposals to deal with them.

What do we get from the honourable Member who made the first speech on behalf of the Opposition, Sir? For him, everything is wrong in Barbados. He accuses this Government of inflicting the most vicious punishment on the people of this country. There was no area of life in this country that we had not debased, according to the honourable Member. I will only deal with three in which I have an interest. He said there was widespread corruption, he said there was an increase in crime, and he said there was trafficking in illicit drugs. I have responsibility for those three areas and I will deal with them. I believe that the Minister of Finance is quite capable of dealing with the areas relating to the economic and the fiscal part of the debate.

If the honourable Member wants to be honest, he would state that, less than four weeks ago, I came here on the Floor of this Honourable Chamber and produced statistics, not compiled by me, Sir, compiled by the Police Department, showing that there has been a fairly steady decrease in crime in this country since June of last year. I made the statistics available to Members on the other side, and therefore if the honourable member wanted to challenge them, he could have rejected the statistics provided by me and come up with his alternative statistics, rather than making these wild and wanton charges that are meant only to disturb the good peace and order of this country.

Now I do not know of this widespread trading in illicit drugs, but I am inviting the honourable Member, or indeed any member of the public, who has information on the trading of illicit drugs, to bring it to my attention, preferably in writing, and I give the undertaking that we will get to the root of it and extirpate from our community once and for all those people who prey upon human misery.

The honourable Member talks about widespread corruption. I will not even bother to address that. That is a common statement made by desperate people in Opposition who, for want of a good argument, use that kind of slur against a Government, so I will not bother to deal with that, Sir.
9.50 p.m.

We, Mr. Deputy Speaker, have been analysing these issues for the benefit of the public, to give them the truth. We have heard repeatedly of the collapse of the world financial system. Now we have not heard that from the speakers on this side, but we have heard that from every reputable international institution and from every reputable economist who understands what has been happening.

It is not something that is common to Barbados, nor to the Caribbean, nor to this hemisphere, but to the whole world. It is common in western capitalists countries, it is common in dictatorships, it is common also in socialists countries, and we are all in it together.

The honourable Member for St. Michael South Central made reference to the Bretton Woods Agreement. Anybody who has studied these things would know that the Bretton Woods System was a system devised for the rich, industrialized countries to conduct their own affairs without reference to the difficulties and the problems obtaining in developing countries, and one thing that we have learned from the collapse of the world economic and financial system is the total interdependence between developed and developing countries.

In the developing world, we have a number of problems. We have problems of high unemployment, high interest rates, a devastating low pricing of commodities, one of the lowest in more than three decades, and we have the whole problem of crippling debts. And these are the problems, Mr. Deputy Speaker, that have made it abundantly clear to developing countries that we have to do two things: one is to bring our collective weight to bear on developed countries to restructure the world financial systems that would take account of the special needs and dispositions of developing countries, and the other thing that has come home very forcefully is that there has to be greater interdependence among developing countries themselves.

I believe that those of us who have been following the positions of a number of so-called Third World groupings in the past two years or so will have a fair indication of the point that I am making. We saw, Sir, only in the last two or three weeks ago, that the Group of 77 met in Buenos Aires, Argentina. The Group of 77 comprise developing countries of every colouration and every ilk, Sir, and they, meticulously and carefully, prepared positions to adopt for the UNCTAD meeting in Belgrade next month, and they will seek, collectively, to bring their weight to bear on the developed world for a greater appreciation of, and sensitivity to the problems that are confronting Barbados.

These are some of the things, Mr. Deputy Speaker, that these countries such as Barbados are facing in this particular period of time, and not all the welter of words, facile and supine arguments that flow from the other side can disturb the fact that the whole world is aware that we are in one of the most difficult periods in the history of this world in respect of the economy of every single country in this world.

I talked about the richest countries, North America and countries in Europe. I am talking now about the oil producing. Everybody knows the fact that Venezuela and Nigeria, two of the oil-rich countries, until recently, have now started negotiations with the IMF to have programmes in their countries. Not long ago, just a few months ago, Nigeria was seen as the richest country in Africa, perhaps barring South Africa, and was the benefactor of many countries in Africa and beyond, and in this hemisphere Venezuela was a leading donor country for the countries of this hemisphere. Now they have found themselves in a situation where they are now contemplating and discussing steps for arranging programmes with the International Monetary Fund.

Sir, I said that I did not think it was necessary to deal with much of what the honourable Member for St. Philip South had said. But he thought it was a joke, Mr. Deputy Speaker, that a country goes into arrangements of borrowing from international financial institutions to improve or establish its credit rating.

In 1973, when Trinidad for the first time became a wealthy country after the oil boom, the Government of Trinidad decided that the first thing it would do with its new wealth was that it would pay off debts that it had contracted between 1970 and 1973. What happened, Sir, is that by 1973 their foreign debt was $123 million, and by 1976, when every other country in the world was increasing its foreign debt, Trinidad reduced its foreign and national debt to $53 million.

But financial authorities in Trinidad began to realize that external borrowing would have to become an integral part of future development plans, that they would

have to borrow money overseas and use external borrowing as an impetus for capital development in their own country. They further felt that external borrowing would facilitate financial management.

They did not have that exposure. They needed to have the exposure to the international borrowing institutions. They needed not only to have that type of exposure in international borrowing, but they needed to use that know-how to work internally for the development of resources in Trinidad and Tobago.

I only use Trinidad and Tobago as an example, Sir, but it is an accepted thing that you borrow money externally for a multitude of reasons – and you need not be insolvent, as I have heard earlier today, or on the brink of bankruptcy to borrow money.

Every single country in this world has a national debt, including the United States of America. So when honourable Members try to make those who do not know believe that there is something wrong with borrowing funds for development, I think, Sir, that there is either a streak of malice in that kind of submission or total ignorance.

Now, Mr. Deputy Speaker, I want to deal with situations relating to the Caribbean. We have pinned our hopes in the last 10 years on the economic development in the Caribbean, on the Caribbean Community, CARICOM.

CARICOM had a baptism of fire, because immediately after it was formed, the world oil crisis developed. Therefore, CARICOM, which was conceived in an atmosphere of calm and tranquility in the economic situation in these countries, was pitch-forked right at its birth into the furnace of the post oil crisis chaos that came after 1972.
10.00 p.m.

For the last ten years, CARICOM has, through the dedication of the leaders of the various territories of the Caribbean, held together, withstood the many external pressures and became a useful and effective instrument for the development of resources and economies of these islands.

What is happening now? What is happening in the Caribbean now and in the family of CARICOM represents a microcosm of what is happening in the whole world. The world has learned ever since the last depression and the pre-War period, that there must be multilateralism in the development of the economies of the world, that we were all in it together, and that no policy of isolationism, inward looking, protectionism and trade barriers will make even a country that is applying these principles safe from what is happening beyond those walls.

When things were going well, Sir, the absence of protective barriers, tariff walls, isolationism and scrambling for oneself gave an unprecedented push to the development of the resources of the economies of the countries of the whole world. Then, as soon as the world experienced a problem, the deep world financial crisis in which we find ourselves, everybody now is breaking for himself. Even the United States of America, which perhaps should be setting the lead in the western world, have adopted a system of trade protectionism that is creating havoc not only among their friends the developed countries, but is creating havoc right in the United States itself. And they move from multilateralism to bilateralism!

We have seen it manifested in one way in the proposed CBI. What we are asking the United States to consider is that the Caribbean Development Bank and CARICOM are indigenous institutions in this region, which we set up by the dedication, sacrifice and goodwill of the people of all these islands to be effective instruments for economic growth in these Islands. And when we appeal to the United States of America to respect our efforts in this regard, and to look at these institutions as suitable channels and vehicles for our development effort, the United States choose, for reasons best known to themselves, to deal with the CBI by a process of bilateral arrangements.

If the world has learnt anything over the last 30 years, Sir, it has learnt that there is an inter-dependence between the economies of all countries in this world, and for any country to opt out of the system is to do a grave injustice not only to itself, but to other countries.

Now in respect of some of the criticisms made by the chief spokesman for the Opposition, I want to deal with one I keep hearing the honourable Member mention. I must say I have never heard him mention it while I was present, but he talked about money spent on CARIFESTA.

Anybody who wants or pretends to be a national leader must take himself outside his own body and project an image of objectivity and take into consideration the wide and disparate interest of all the people in the country. You cannot think that only what is good for you is good for the people.

Sometimes, Sir, I am a little amazed – maybe I should not be – but the honourable Member obviously is wallowing in the morass of philistinism. That is his problem. I do not believe he has ever in his life gone to see some drama, hear some music; I do not think he has ever done anything cultural in the formal sense of the word. I do not want to get into the definitions and so on. He gives no support to these efforts that, as Matthew Arnold would say, would bring the spiritual dimension

of a people to the fore and remove the anarchy that is consequent on the drift towards materialism.

The honourable Member knows how it is to telephone people at 3 o'clock in the morning and wake them out of their beds to ask them about business deals, but he does not understand that little children growing up in this community must grow up in an environment of aesthetic and cultural growth, which is required to make them into full and creative citizens in a Barbados of tomorrow.

I make no apology for one single cent that has been spent on CARIFESTA, and I hope that this Government will not be influenced by the backward thinking of people on the other side, particularly the honourable Member for St. Michael South Central, into shortening the funds that we need for cultural development in this country. If you go through the country – the honourable Member for St. Michael South (Mr. L. E. Sandiford) probably knows more about these things than his colleagues – and you see the alarming creativity among school children in this country, you would appreciate that these things have not suddenly dropped from heaven like manna, but that they were part of a determined plan, by an enlightened Government, to bring about that type of development in this country.

The honourable Member for St. Philip South makes it quite plain that the only culture he is interested in is agriculture. He has said that, and he has demonstrated, from his reaction to the rather incisive statement made a few minutes ago, that that is the way he feels. But we feel very much different on this side.

Mr. Deputy Speaker, half an hour is not an inordinately long time, so I want to deal with one or two other matters very quickly. I welcome the provisions in the Budget. It turned out not to be the devastating earthquake that was anticipated by members of the Opposition, and indeed certain interests in the community, and therefore I welcome it; but I also have to put in a special plea for two sectors.

It is time, Sir, that everybody realises that the middle class in this country has to live too, and they are carrying a very heavy burden to keep this country going, particularly the salaried middle class. I am asking my colleagues in the Government and the Minister of Finance – next time around, I would like to see some measures giving concessions and alleviating the burden on the middle class, particularly the salaried middle class in our community.

I heard the honourable Member for St. Michael South Central make an attack on the idle lands policy. He criticises it. I believe, like others, that in this community with very limited land space, all agricultural land should be brought into production to allow us to provide more food for the people of this country, and indeed to earn a lot more money overseas to help us in our effort.

I want to make another plea. I am asking the Minister of Finance – I am not criticising, Sir, I will reserve it until next year, when I hope that my plea would not have fallen on deaf ears – that there be greater incentives relief to small farmers in this country, who toil so hard and make such an extraordinary effort to keep this country going.

I, Sir, have the honour to represent an agricultural constituency, and it hurts me, Mr. Deputy Speaker, to see that the country districts, which bear the brunt of all the hard work and development in agriculture and so on – the food basket of the nation; the people who must cut the canes and reap them, the people who must bring in the $68 million and $80 million in foreign exchange from the sugar industry – are not getting their fair share of the pie in this country.

All through the rural parishes, Sir, except for one or two parishes, but in most of the rural areas, we wonder if they are not part of the mainstream of development in this country. And I make my appeal, Sir, to the Minister of Finance that when he brings the next Budget, he will remember the small farmers.

10.10 p.m.

I am a small farmer, Sir, and I know that you do not make any money out of sugar cane any more. If the people are to be taxed for leaving their land idle, then you have to give them incentives to plant it, so I am making an appeal on behalf of the small farmers of this country for a little ease.

(Mr. P. M. GREAVES: That is right.)

Hon. L. R. TULL: I am making an appeal for the people from the country, the people who do so much to keep this country going – not now, but for three hundred years – to be given a greater share of whatever is going in this community.

Now, Mr. Deputy Speaker, before I wind up, it is only fair for me to go back again to the dog-eared contribution made by the honourable Member for St. Michael South Central. I said dog-eared, Sir, because it is an old document in this Chamber. The honourable Member has made that kind of garbled speech in this Chamber on at least two dozen occasions. And at the end of it, he is no wiser – nor is anybody on this side or his side any wiser.

Barbados cannot be in the state of utter chaos that the honourable Member is describing. It cannot be

and it is not true. The honourable Member is like a man who says every day, "It is going to rain." If you get up every morning, Mr. Deputy Speaker, and say it is going to rain, one of these days it will rain, even if it rains a year later – and then you beat your breast and say, "You see what I told you, that it was going to rain." That is what the honourable Member does. He preaches gloom and disaster in this country. He says all kinds of things are going to go wrong; and if they go wrong three years after he first said it, he says, "You see what I told you, Sir."

Mr. Deputy Speaker, Barbados is important to me. It is the only country I have got. There are some of us in public life who are determined to do whatever we can to improve the quality of life in this country without a lot of histrionics, a lot of alarmist statements, a lot of statements that will destroy confidence in our country.

The honourable Member tried to point out what was responsible for the falling-off of tourism in this country, and he even essayed in one of these remarkable instances some of the remedies for it. But I am saying, Mr. Deputy Speaker, that one of the major reasons not only for the fall-off in tourism, but for any loss of business confidence in this country, has been the handiwork of the honourable Member for St. Michael South Central, because not only in Barbados, not only in Barbados, Sir.....

Aside.

Hon. L. R. TULL: I would enlighten the honourable Member from St. Michael, wherever he comes from, Sir, because he does not understand the potential for danger of the honourable Member. The honourable Member for St. Michael South Central goes out of Barbados into North America, Toronto, New York, and preaches all kinds of evil against this country. I have tapes, Sir, of interviews the honourable Member has had on a radio station in Toronto, in which he, by his statements, caused so much havoc among people who would invest in Barbados that a flood of letters came into Barbados to find out if things were as bad as the honourable Member pointed out up there.

(I will come home, Sir. I am sorry that the time is so short.)

When the honourable Member, with tongue in cheek sometimes, other times it is more innuendo, gets through the message in this country and beyond that there is going to be a devaluation in Barbados' dollar, he is doing a great deal of damage to business confidence in this country. And I get the feeling – this is my final sentence, Sir that the honourable Member's colleagues are like the fabled Phoenix – they would like to see this country go up in conflagration so that they could rise in power from the ashes of this country. The people in this country have nothing but contempt for that kind of tactic.

Applause.

(Aside: Hear, hear!)

Mr. DEPUTY SPEAKER: The honourable Member for St. George North catches the eye.

Mr. J. G. ODLE (St. George North): Mr. Deputy Speaker.....

Aside.

Pause.

Mr. DEPUTY SPEAKER: Would the honourable Member for St. George North continue.

(Mr. P. M. GREAVES: Can I talk in the meantime?)

(Hon. H. B. St. JOHN: Because he is a gentleman, you want to huff him up. Richie tried that and the gentleman tactics won.)

Mr. DEPUTY SPEAKER: The honourable Member for St. Michael North (Mr. P. M. Greaves) will have his opportunity in due course.

Mr. J. G. ODLE: Mr. Deputy Speaker, the Resolution before us affords an opportunity to debate the Financial Statement and Budgetary Proposals which have been laid by the right honourable Prime Minister (Rt. Hon. J. M. G. M. Adams) and it does permit us an opportunity to examine in some detail the performance of various sectors of the economy.

In a very real sense, Sir, a Budget is about performance, and performance is about people, and I would like at the outset to congratulate all of those people who performed so well, and by whose efforts we were able to maintain a high level of stability in spite of the adverse economic situation with which we had to contend. In particular, Mr. Deputy Speaker, I would wish to congratulate the people of Barbados for rejecting the negative approach of those who sought desperately to disseminate panic and fear and division and confusion in our midst. The strong and immutable character of the Barbadian man and woman resisted those attempts.

We know, Mr. Deputy Speaker, that the storm is not yet over. However, the Budget tells us that the fury of wind and wave has abated and that we are now readying ourselves for better times. The right honourable Prime Minister and Minister of Finance has again displayed a superior ability in handling the affairs of this

country and has lived up to the expectations of all those discerning people in Barbados who were able to choose excellence instead of mediocrity. To all those heads of departments, Governors or whoever in related ministries, the leaders and planners in business and in industry who support him, I say they well deserve Insignias of Merit.
10.20 p.m.

It must be noted, Mr. Deputy Speaker, that the tight monetary policy which had to be pursued over the past year, had become necessary because of the financial constraints with which we were faced, but nonetheless, we noticed that the Government of this country was able to continue certain projects. I speak, Sir, with pride, of the Spring Garden Road and the St. Barnabas Highway to which reference has already been made this evening; the Spring Garden Road especially, with its beautiful roundabout at the foot of the University Hill.

I would urge honourable Members to travel on these new highways where they must experience new vistas, new horizons; in fact, where they may well experience the Barbados Labour Party at work. My understanding is that further road developments are planned for the northern parishes, and I think I can well understand the joy in the heart of my colleague here on my right, the honourable Member for St. Lucy (Mr. R. E. Brathwaite), who will see improvements coming to his constituency.

I myself, Mr. Deputy Speaker, am one of those people who is guilty of consistently and persistently pressuring the Prime Minister and the Minister of Transport for more roads in my constituency. I have for a long time been pressing for relief for the people who live in the areas like Thorpes Cottage, Ashbury and Redland Tenantry areas where hardly any roads exist at all. No doubt, Mr. Deputy Speaker, if you were to ask them, they will tell you that I have been making a nuisance of myself. I have also been asking for the slipper drain along the main highways of Salters and the Valley Road through to Constant.

I have been bothering them, but I must tell you this, Mr. Deputy Speaker, I fully realise that the good work which this Government has planned will continue, and I want to assure the people of those areas I have just mentioned that relief will certainly be coming to them. Just, for instance, as we were able to get relief in the Glebe, where a road has been built, we have had the road done at Charles Rowe Bridge, in Bel Air they are presently at work building roads, also in Paradise, I have no doubt that when the cement plant finishes and comes on stream, that not only in my constituency but certainly the constituencies of all other Members, including the members of the Opposition, these matters will be dealt with. I will continue in my struggle to get these things for the people.

Mr. Deputy Speaker, I am not unmindful of the fact that the cement plant has certainly progressed well, and again I would like to congratulate the Government on this fine effort. I would certainly like to remind honourable Members, especially the honourable Member for St. Michael South Central (Dr. R. C. Haynes), who is asking where is all this money being spent, to have a look at some of the projects which are continuing and which we did not have to close down because of the tight monetary position.

It is certainly to be appreciated that the shortfalls in revenue were not allowed to interfere with such projects. That underlines the careful planning by the planners of this country. With the development of the cement plant, we should be able to tackle a very serious problem in the nature of housing. This has been alluded to by other honourable Members.

I would like however, that when the present Minister of Housing (Hon. L. B. Brathwaite) gets down to this serious business of planning – and I must say that he himself has had some experience in real estate, and I am sure he will bring it to good effect – I would like to see a situation where people who are to benefit from these efforts would be in a position to make use of their own skills, with self-help and community programmes, so that the people who are going into the houses will be able to put in their own sweat, their own labour, and so reduce their costs. I am sure that the Minister will look at these things, and I have no doubt that these things are very much a part of his planning.

Now, Mr. Deputy Speaker, I wish to make a few comments on the subject of agriculture. The Honourable Minister of Agriculture (Hon. Dr. R. L. Cheltenham) has spoken, but he spoke with reference only to non-sugar agriculture. Agriculture is very important to our economy and indeed to the livelihood of all our people, the manufacture of sugar for export, domestic use and the growing of food crops. I wish in this connection to deal with the advent of Portvale Factory, which is relatively new to this community, and in keeping with my theme of people and performance, I think it is in order that I give some praise to the architects of Portvale, those who organised its construction and those who have made it operational.

It is my understanding, Mr. Deputy Speaker, that this factory was built at a cost of Bds. $28 million, with about $3 million of it going to locally-transferred equipment. When we look at the situation in other countries – quite recently in Papua New Guinea and in Pakistan, plants of similar capacity have been built at a cost of Bds. $200 million, and in one case in Southern Africa at a cost of 110 million Rand, which is just about Bds. $200 million – I think those who planned the factory and those who saw after its construction deserve very, very great praise. It is a tribute to all of them who had a hand

in its purchase and its construction. I wish to say to them "We salute you."

I also understand that the power generating capability of this new plant has already been put to good use, because it has already been linked up to the national grid. So those who criticised the spending of money on Portvale can obviously see now that there was good reason why we should have had it.

We must remember, Mr. Deputy Speaker, that there are some old heads in this country who have been dealing with agriculture. They are experienced, they are knowledgeable at all levels, and I would impress upon the Minister to listen to them and to take note. He can benefit from their experience. And in like manner, I will exhort him, wherever possible, to consider and encourage the younger ones who have demonstrated a high level of competence in the field of agriculture. We must certainly give them all the assistance we can, wherever we can.

Everybody in this country knows, or ought to know, something about the production of sugar in our community. The first record of the production of sugar dates from 1655 when something like 6 900 tons of sugar were made. This is just a historical rundown. In 1932, production reached 100 000 tons, and with improved production we were able to produce in 1957, for the first time, 200 000 tons of sugar. This was repeated, I believe, in 1967.
10.30 p.m.

After this, the industry suffered varying misfortunes and now we are falling below the 100 000 tonne mark. As part of its Economic Development Plan, it is now Government's policy to set a target for 160 000 tonnes of sugar, and the industry is gearing to this end.

But we do face serious problems, because over the past seven years, the cost of production of sugar has increased by 87 per cent, whereas the guaranteed price increased by only 38.1 per cent. These are real problems, Mr. Deputy Speaker.

You will recall that in 1951, the Commonwealth Sugar Agreement entered into, offered an assured market for commonwealth sugar in the United Kingdom and provided a guaranteed quantity, and prices, to producers. However, what was important about that agreement, Mr. Deputy Speaker, was the fact that the price paid would be reasonably remunerative to efficient producers. That was the basis of the agreement.

The CSA came to an end in 1974, and we saw the advent of the LOME Convention in 1975. The protocol provides that the guaranteed price shall be negotiated annually, but it seems to me that the EEC is not negotiating in real terms as we down here have proved. It would appear that the prices to ACP producers, including ourselves, has been determined by the state of the EEC supply/demand balance and production cost in the EEC, without due consideration to the economic factors affecting production in countries like Barbados.

Besides, it is known that the production of sugar in the EEC has increased tremendously, and while there is no reduction in the quantity which the EEC buys from us under the guarantee, their increased production, subsidized as it is, goes to further augment the world market, and further repress the prices on that market. So you can see the real problem that looms for Barbados because this is a free market to which some of the ACP countries must have to sell their sugar.

The EEC is most important to us, however, but we have to be concerned over actions taken in the Community by this internal sugar arrangement which adversely affects ACP countries. We need, Sir, a level of equitable guaranteed prices declared, and without adverse differentials introduced into it as in the past.

I should point out, Sir, that Barbados enjoys benefits from the U.S. Generalized System of Preferences, and with the establishment of the United States of America quota system in 1982, we received a quota equal to about 9 600 short tonnes.

I say all of this merely to point out that the sugar industry is very vulnerable to fluctuations in production as well as in price, and any decline in sugar earnings not only affect the balance of payments, but it affects the very livelihood of many of our people.

As I said, the honourable Minister dealt with non-sugar agriculture; nonetheless, I will just make one or two points in this respect. We know how important it is for the small farmers who have their plots of land, whether they grow cane or fruit. We notice also, Mr. Deputy Speaker, that there is quite an influx of machinery, harvesters and ploughs, and it seems to me that no matter how we try at Government level, there is always an insufficiency of tractors and equipment to help people with small plots of land.

I would like to think that the Minister of Agriculture will find it possible, through some agency, or through his Ministry, or however he can, to come to an arrangement with the larger estates in an effort to help the small farmers in the preparation of their land, and I believe that a scheme of that sort might well assist those people who now will be paying an increased tax as a result of the Budget – it would help them probably to get their land tilled.

This evening I heard quite a lot by various Members on this side and on the other side of the House, and I do

want to comment briefly on the speeches of some of them. We had quite an exhibition from my good friend, the honourable Member for St. Michael South Central. The Budget, he said, is an insult to the nation. These are harsh words. These are strong words – all out of context, and they certainly do not mean anything. I do not believe that anybody in this country would accept that. That is how he began his speech.

He went on to say that there is harrassment of workers, and their representatives are concerned and worried about this. How untrue, how very unkind! He does not seem to understand that the money which this Government spends is the money which comes out of the pockets of taxpayers and that this Government must exercise every care in handling and in spending that money.

The honourable Member said, and this has been alluded to by the honourable Attorney General (Hon. L. R. Tull), that there is evidence of widespread corruption. Well, I find that a bit amusing, because it is my view that if he does not report it to the proper authority, he might find himself being an accomplice to the fact, so that has to be dismissed.

He talks about the political directorate, divided from top to bottom. I have no doubt, Mr. Deputy Speaker, that he would like to see on this side of the House the kind of division which he now experiences on his own side.

He speaks of the economy in shambles. Now, Mr. Deputy Speaker, am I to believe that there is no food in the supermarkets, there is no lumber, there is no tooth-paste, no soap, no toilet paper for the people of this country. Everything, says he, is in shambles! I would invite the honourable Member to visit the mini-mart in Workmans, St. George where I do my purchases – I think he knows it well – or the one in Charles Rowe Bridge. Let him go there, Sir. Let him visit Charlie Chaderton's Mini-Mart in Charles Rowe Bridge. I invite him to come to St. George and have a look around again.
10.40 p.m.

I cannot understand, Sir, how it is that the honourable Member is so persistent in his attempts to drive fear in the hearts of people. I cannot quite understand his reason for wanting to do this. Sometimes you know, Mr. Deputy Speaker, I think that as a child, he may well have been a naughty boy and may have had a nanny who kept telling him that if he does not behave himself the bears and the lions and the tigers would attack him; and now that he has grown to adulthood it seems, Mr. Deputy Speaker, that he still sees bears and tigers and is always fearful and wants to drive fear in the hearts of people.

I must say, Mr. Deputy Speaker, in conclusion, that we have an awful lot to be thankful for in this island. I can ask and say to the leaders of this country, "carry on, go forward, work as hard as you possibly can," and to all of us others outside and inside, I urge that we look carefully at our priorities and make sure that we act and control our spending as we go along.

I thank you, Mr. Deputy Speaker.

Mr. P. M. GREAVES rose.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Deputy Speaker, if the honourable member would give way, it is now 10.45 p.m., and I think that at this point I should like to suspend the sitting, because we have been going for a relatively long time and we should really have finished at 10.30 p.m. I am quite sure the honourable Member for St. Michael North (Mr. P. M. Greaves) will have all the time necessary for his speech, which we all look forward to, tomorrow.

I beg to move that this sitting be now suspended until 11 a.m. tomorrow, Friday, April 29, 1983.

Hon. H. B. St. JOHN: I beg to second that.

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

On Resumption

Mr. DEPUTY SPEAKER: This sitting is now resumed. The honourable Member for St. Michael North West.

Mr. L. A. WEEKES (St. Michael North West): Mr. Deputy Speaker, when the Attorney General (Hon. L. R. Tull) concluded his speech yesterday, he insinuated that we on this side were somewhat unpatriotic. I am sure that proper research would prove to the contrary, for our efforts in the social and economic development of this country are there for all to see.

The Attorney General is also aware that the Democratic Labour Party as a Government, in crisis times, came up with well thought-out plans which turned out to be good tools for the present Administration up to this day. The Government should not now be apologetic or expect sympathy from people when the resulting consequences today are much of their own making.

We often hear that comparisons are onerous, and that would not help us in our present situation, because we live in different circumstances. If some countries have lost direction, they must find a way to get back on

course; and a Government such as ours should be very conscious as to what measures they impose on us, so as not to create hardships and deprivations that would destroy the very achievements which were made in the past.

Mr. Deputy Speaker, over the years we have had varying types of Financial Statements and Budgetary Proposals in this Honourable Chamber. This one is no exception in presentation and tradition, because we can always very quickly perceive the outer covering of the language concealing the inner misery of our hardships to come. And it is for this reason that Budgets are often preceded by apprehension, attention and wording.

Mr. Deputy Speaker, the absence of any measures to stimulate employment and productivity is a serious defect in this Budget. Therefore, those who were without employment last year, most likely will continue in that position. Many a young bright aspirant will do as one hopeful has done – he travelled from University Drive to Bridgetown checking every business operation without success and, in dilusion, he finally ended up by scrambling among the nut vendors and the cocunut vendors to make a living.

Mr. Deputy Speaker, those without homes can hardly hope to own them this year. The fishermen at Pile Bay, you will continue to violate the Health and Environmental Laws, because the lights, the toilet facilities and the baths may not come. To the residents of Free Hill, you will continue to ask for natural gas – hopefully, I believe, you might succeed; to those in Fernihurst and other areas, you will continue to sleep in darkness as you have no street lights and some are not likely to be placed in such areas in a hurry; and for the ones at the lowest rung of the ladder, who continue to carry the burden in taxation measures, you will now pay the penalty for having a video or a T.V.

In short, the Budget lacks motivation and does not inspire us to use our innermost talents for the good of the nation. This increased Health Levy would be another burden, while we see the long-standing institutions like the Queen Elizabeth Hospital, the Psychiatric and the Geriatric Hospitals show strain and stress, and as the quality of the services fluctuate.

Mr. Deputy Speaker, I lament not only the state of these affairs but the flagging morale of devoted doctors, nurses and others in these institutions. I am starting to believe that the Government must be having a nightmare – for Minister of Health after Minister have failed to achieve anything in this health service.

Sir, costs have always been the problem and my recollection is that, sometime in 1979, a health consultant delivered a report to this Government in which he paid special attention to primary health care and its cost.

Mr. Deputy Speaker, primary health care is the stage at which we try to prevent and to cure illnesses in their early stages. Because of that, we must have the kind of staff and the kind of back-up services necessary to make a successful operation, and it is for this reason, Sir, that that consultant gave an estimate as to what that service would have been. I am relating this to show how the cost of this service has now been escalating.

At the time, the consultant said that the cost of the service would be approximately $8 million, and he broke it down as follows: Primary Health Care, $5.8 million; Laboratory Investigation, $325,000; Incentive Payments, $739 000; Start-up Cost, $250 000 – to be exact, a gross total of $7.892 million. He concluded by saying that many of us would have to pay the cost of the Drug Service, we would have to pay for our prescriptions and, added to that, that Government would only be required to pay 18 per cent of this total cost, which would have amounted to $1.4 million. As I said before, I am giving this background to show you how the cost of our services, and how the burden, is going to multiply as we go on.

Mr. Deputy Speaker, during the Mini-Budget a few years ago, we had a Health Levy, and that was supposed to have raised $8 million. For the following year in the Estimates, 1982–83, we estimated that we would collect approximately $10 million, and for the year, 1983–84, $11.5 million – I take it, Sir, that these were the projections of costs that we would have to bear over those two periods – and now, Sir, in the Budgetary Proposals, in the Prime Minister's own words, he will make a small imposition – and you listen to the covering language as we go through the figure – which will be $8 million.

If all of these calculations are correct, and if these sums of money were to be collected, it would mean that in this very year we will have to pay $11.5 million for 1982–83, and the additional imposition, which is $8 million, will give us a total for this year of $19.5 million.
11.15 a.m.

Mr. Deputy Speaker, if this amount is correct from the figures I have here, then the cost of these services would have exceeded far what the consultant would have expected, taking into consideration that we have always been told the honourable Prime Minister is fond of saying that things are not as expensive as they were. Then there would have to be some relationship as to why, four years ago, while we were keeping costs down, we would embark on this, knowing we would have to pay the type of money for a National Health Service. If I carry this projection to 1986, Sir, the total sums collected

could very well be very much more than the whole Bill for the Ministry of Health to carry out its programme. Then you will understand, Sir, in 1986, the election year, how miracles will start to happen!

Sir, this is an unjust policy to place on lowly paid workers, and most of all, Sir, to fail to deliver the goods that they have paid in advance for.

Up to now, Sir, we can only talk about a Drug Service, which is, in my view, unfair, because the private sector is still carrying a very large weight. Would you believe that phase one, which is primarily operated in the Government dispensaries, where the old people whom we talk so much about from time to time and the young children that we love so much often go – I do not know that drugs are unavailable, because to the best of my knowledge we have a reasonable supply of drugs in Barbados, but they may very well be in short supply in these institutions due to the Government's policy of trying to control expenditure.

Let me say here that if two aspirin tablets will stop a headache, there is no point trying one, therefore you cannot relate the cost to the service. The service dictates the cost, and in so doing, it is possible that this short supply may very well be as a result of that approach. Those people who turn up at the institutions to get their medical supplies very often have to return again and again before they are supplied, and those who are in the private sector, who should also benefit from this Drug Service, sometimes only get one part of the prescribed medication – and, in some instances, none at all. And, once again, you will see how the burden of responsibility falls on the private sector as Government collects the money and does not supply the goods.

Even now, as far as I know, Sir, there are no complete plans or agreements with the private sector on this particular plan, and certainly, Mr. Deputy Speaker, if phase one is in that bad shape, how could you think of implementing phase two, when phase two relies very heavily on the success of phase one? To put it clearly, Sir, there is no point in diagnosing your cause and having nothing to treat it with, so phase two is very much dependent on how successful you are in phase one.

Sir, the Government has always tried to beat us into feeling that they are honest, and I have no doubt that they are honest about their intentions, but usually the time lag is so long that one seems to have doubts. I remember the Sewerage Project was to open some time at one particular date, and then another time at another date, and I am not too sure if that project, even though finished, is functioning to any great extent.

Mr. Deputy Speaker, the cost of medicare is becoming like an albatross around our necks. Dental services are not cheap. Medical services are still beyond some of us, and prescriptions, despite the boast about cheaper drugs, very often can average between $50, $60 and $70. And once you are ill, it does not matter in which category you belong to, you will have to get that prescribed medication, paying the same costs as the one who is better off than you are. We still have to contend, Sir, with the increased medical hospital fees from last year. First of all, even if you can pay for surgical operations, these are now delayed. As I have always said, any of us can ask any other person in Barbados how he dislikes attending the Casualty.

Mr. Deputy Speaker, it is interesting to note the cost of this service. I would just like to give an illustration as to what can happen if this service remains as it is. In the first place, it has removed an old system which used to fill the same role and probably in a better way. In the Budget we talked about 65-year-olds getting medical attention. I know, for sure, that in the olden days we used to have the parochial medical officers who were actually on call twenty-four hours a day, and most of these old people could either go to the doctor's office, if he could not meet them, or he would take his own transportation and go and visit these people. But they paid nothing. The Democratic Labour Party charged no levies and taxation was always within the reach of everybody.

Now, Mr. Deputy Speaker, with this service out of place, it means that all roads will now lead to the Queen Elizabeth Hospital because it is the only comprehensive institution in Barbados. It caters for all sorts of illnesses of all kinds of people. When we look and we see what is happening in that service, there is overcrowding, with some wards carrying more patients than they should carry, particularly, I understand, in what they call the orthopaedic wards. That overcrowding will therefore present a problem to the nursing and medical staff.

No doubt the genuine and legitimate cause of the nurses a few days ago was allowed to run to such a stage that, to me, we put humanity after political decisions. Would you imagine, Sir, that that hospital carries 500 odd beds and there are sick people there, and those nurses – those dedicated nurses who over the years had put aside overtime and even provided some of their funds to make that hospital what it is, with the reputation that it has held in the Caribbean – were allowed to suffer. If that reputation is in any way removed then the Government would have to take full responsibility.

11.25 a.m.

Mr. Deputy Speaker, Sir, it is sometimes unavoidable, it is very often a life and death situation, Sir. Think of those people on the street who, when involved in an accident, must have an emergency operation performed. And we in this country, having collected taxes all through

the years, that I know of, at this point in time are allowing one operating theatre to function out of three. Mr. Deputy Speaker, three are even inadequate! And there, the doctors and the nurses are willing, they are prepared, to give of their services, and up to recently only one of those theatres was working!

The Surgery always seems to have a problem. A few years ago, it was the linens. Why the Surgery? Mr. Deputy Speaker, I listened to honourable Members on that side when they were discussing the Abortion Bill. Abortion is a surgical operation. Some fantastic figures were quoted to show the need why we should pass this Bill, Sir. If, by chance, we were to have a very small percentage of that number being called to go to the surgery today, Sir, what would be the position of those young people?

We have always said that you should not pass legislation unless you are prepared to set up the machinery to make it work. Therefore, Sir, it is a sad reflection on humanity that we should allow a vital area of that hospital to remain in that condition.

Mr. Deputy Speaker, I talked about the nurses and their attitude towards the Government. It is only a reaction to what they feel from inside, needs attention. This is the second consecutive year, Sir, that I have mentioned in the Estimates that they were short-staffed at the hospital. Furthermore, Sir, I wondered why in one year, they reduced the vote to nearly a half million dollars. I never got a reply. So it is not difficult for me to understand when nurses tell me that they are overworked. And we need to look at things from their point of view; look at situations as they are.

It is all well in Broad Street if you are working with a firm, to tell the boss, "I am not coming to work tomorrow, I feel sick." But in a ward, when you have three or four nurses dealing with a number of serious cases and one of those nurses decides that he or she cannot turn out, believe me, Sir, the workload multiplies for those two.

And what is even more difficult to understand is why they cannot get substitutes. Do you know that nurses go off and no one is there to replace them? What is the point of training our young people to be professionals and leave them to scramble about for work?

We talk a lot about unemployment. Unemployment is in every sector, every level; at the top and at the bottom. There was a time, Sir, when it was only those at the bottom. Our educational system, Sir, thanks to the Democratic Labour Party, has brought about a change in this country that we should at all times be able to put our hands on people to fill the jobs so we should not be in this position.

Sir, I have to look at nutrition. It is part of health. The Democratic Labour Party in power saw the need to provide at least one hot meal, Sir. Today, if you miss and go around some of these schools, you will see some of the children begging you for a piece of chicken and when you check on them, Sir, you find that they have not eaten for the day.

This is reminiscent of my days. When I was a boy at elementary school, when the bell rang some like myself could wend our way home and get a hot lunch, while some fellows lunched under the hill by pitching marbles; and when we had to find out why they were there, why had they come back so soon from lunch, we found out that the poor parent could not give them even lunch.

What is this foolishness about packed lunch? Bread and a piece of fish and a cake or a hot dog! Mr. Deputy Speaker, Sir, if we have any human feelings for the young people today, we would very well look at that situation and talk to the Nutrition Centre.

Mr. Deputy Speaker, I would have had much more to say, but I understand the rules of this debate. I can only conclude by saying that there is nothing really to shout about in the Budgetary Proposals, and I hope that Government will be able to find some comfort in making these institutions work much better.

Thank you, Sir.

Applause.

Mr. R. E. BRATHWAITE (St. Lucy): Mr. Deputy Speaker, I rise to support this Resolution on the Budgetary Proposals for the year 1983–84. I think it is full of substance. I know that three quarters of this island's population welcome it. In a day when recession is biting all around, I consider that it is a Budget of class.

I know that it was a shock to the people of Barbados, because all of the news media were telling people to stand by for high taxation. Instead of taxation increasing, it has decreased.

Mr. Deputy Speaker, I believe that if the members of the Opposition had come in here and praised the right honourable Prime Minister (Rt. Hon. J. M. G. M. Adams) and Ministers of this country for a job well done, I believe that the people of this country would be very, very happy with them.

You all know that I am a man who is very humble; I keep my ears very low to the ground; and I would like to let the Democratic Labour Party's members know that they are weaker today than they were this time last week.

There are many people who would like to watch "Days of Our Lives" at night and things like that, and when they watch TV from night to night and see the Opposition members talking such trash, I would say that it was really a disappointing performance for a party that ran this country for the last fifteen years. I will warn some of the people out there now to start forming another party, because the members of the Democratic Labour Party do not have any answers whatsoever!

Mr. Deputy Speaker, I would like to speak a little on the IMF because I realise that every honourable Member from that side spoke about the IMF. I am not an economist, but I know for sure that the IMF is something, I would say, like an insurance, something of security. You join an insurance so that when hard days come you can borrow something on your policy. The way the members of the Democratic Labour Party were behaving, you would never believe that they were the same members that joined this country to the IMF in 1971.
11.35 a.m.

The IMF is not anything that you hold your hands in the air and say you are a member of the IMF, you have to contribute money; and I am wondering how in the name of goodness that the Opposition could agree and be satisfied to pay money year after year to service their membership and still not use it in any kind of way whatsoever.

Mr. Deputy Speaker, the world has approximately 225 civilised countries, and out of those 225 civilised countries, 88 belong to the IMF. The IMF was recently started, since World War II, so you will understand that this is a young organisation. In process of time you can be sure that there will be many more countries trying to join the organisation.

When you think about places like Mexico, an oil-producing country, or Jamaica, all those countries have gone to the IMF, and now yesterday I heard the honourable Member for St. George South (Hon. L. R. Tull) say that Venezuela is now negotiating to borrow money from the IMF. And I would say there is no other place in the world where you can get money cheaper than from the IMF. Having belonged to an organisation where you get a cheap interest rate, I believe that was the best place we could go.

Mr. Deputy Speaker, the members of the Opposition are crying out now about tourism, they are crying out about a lot of things, but these are the same persons who are responsible for these situations. I remember about three weeks ago, a friend of mine went to a certain dentist's office, and about 12 well-to-do people came into that office, and the only thing they could talk about was to ask, "Have you heard what is going to happen? They are going to devalue the dollar."

Any sensible money spender, or anyone who is coming to this country to spend money, who hears that we are planning to devalue the dollar, would not come to this island. They would think about going somewhere else. I always appeal to the members of the Opposition to join hands with us and try to let us work together and bring this country out of trouble, but that is the sort of talk they indulge in.

I would say, Mr. Deputy Speaker, that the Lord is on the side of the Barbados Labour Party, and except the Lord watch the City, those that watcheth, watcheth in vain. Every move that the Honourable Prime Minister and his colleagues go into, it comes out with flying colours. A few weeks ago I was hearing a lot of talk all around the place about the IMF. One time we had talk about the oil wells, such a prosperous project, a place that we bought I think for U.S. $24 million, and in a short space of time that has brought in much revenue. As you listen to the news, you hear about more oil; you can see the hands of the Lord are leading this country; and everything that this party puts its hands to do it is just prospering and going forward.

I would like to touch a little now on bus fares, because I realise that every honourable Member from that side spoke about bus fares and about the 75 cents. In 1975, the bus fare was 65 cents in this country. In that day a bus driver was paid $110 per week, a conductor was paid $95 per week, an Inspector $110 per week. From 1976 to now, 1983, the driver now is being paid $230, a conductor is being paid $193.60 and the Inspector $239. Gasolene, parts and so on have risen in price since then, the old age pensioners enjoy free bus rides on the buses, but then, Mr. Deputy Speaker, there are members from the other side who will get up and try to convince the people of this country that 75 cents is unreasonable. I do not think that it is unreasonable.

The honourable Member for St. Philip South (Mr. H. A. Blackman) cannot blame us on this side, he would have to blame the honourable Member who started this debate yesterday on economic matters. I assure him that he is one of the people I love very much, but if he continues to go in the way he is going, I am sure, from what we heard in here yesterday, that he will not be in here after 1986. I am sure that yesterday he put a strong case for Senator Linton. He did a good job for him yesterday.

I know the St. Philip people, and I know they do not stand for foolishness. I will tell you the truth; as a friend of mine, I was a bit ashamed when you said that you knew you would lose the election and that is why you put the country in the IMF. They would say the same thing about bus fares, they would say they knew they were going to lose the election so they put the bus fares at 25 cents.

Mr. Deputy Speaker, you can see on every side how the members of the Democratic Labour Party are trying to mislead this country. But I have to commend the Leader of the Opposition (Rt. Hon. E. W Barrow). From 1961, when he came into power, he went about trying to educate the masses of this country, and by so doing we have an educated electorate, so you cannot fool them nowadays – they know truth from error and they know sincerity from falsehood. So my friends, I want you always to put on your thinking caps, and you can see and know that the members of the Democratic Labour Party are not sincere.

Mr. Deputy Speaker, I would like to touch a little on social services in this country. When that honourable Member from that side spoke about social services, I was wondering whether he was mentally ill or if something else was wrong with him, because I did some research, and since 1976 to now we had 16 hard courts, 12 pavilions, 8 playing fields, and now 8 land developments which are ready to have recreational facilities initiated.

Some people might doubt me, so I will name some of them. They are so many and they would take up most of my time, because my time has almost gone, but I will still run through them for you: Deacons Court, 2; Wildey, 2; First Princess Royal Avenue, 1; Lammings, St. Joseph – your constituency, Mr. Deputy Speaker – 1; Parkinson and Pine, St. Michael, 1; Clapham, 1; Dover, Christ Church, 1, and one at St. Matthias; St. Philip, 3. Although the Democratic Labour Party have one of their members up there, we did not appear to be spiteful. We still went to St. Philip and did a few things in that parish too.

11.45 a.m.

I shall continue: Farmers, St. Thomas; Thorpe's, St. James; Wotton, Christ Church; Sion Hill, St. James; Montgomery, Murphy's Pasture, Shorey Village, Buccaneer, Baywoods, Blenheim.

I now come to playing fields – Wotton, Christ Church; Murphy's Pasture, the City; Thorpes, St. James; Wildey, St. Michael; Applegrove, Christ Church; Chapel, St. Philip; Haynesville, St. James; Orange Hill, St. James.

I am coming to you now with St. George, Sir – St. Nicholas; Boscobelle, St. Peter again; Dash Valley, St. George – the honourable Member here is very happy about this because it is in St. George – Baywoods, St. James; Applegrove, Christ Church; Haggatt Hall; Waterford; Orange Hill, St. James.

Mr. Deputy Speaker, I am very happy with this record. The only thing that I am worried about is that there were only two constituencies whose names were not mentioned in the list. I do not blame the Government for it, because we remember that for 15 years the Democratic Labour Party took good care of St. John parish. If the then honourable Prime Minister did not take good care of his constituency then, he really should not have been Prime Minister. But we know that they used to pave the roads in St. John so we know that as far as St. John is concerned, that was taken care of, too.

But now, poor St. Lucy! Nothing was done in the parish of St. Lucy! But I am not worried about this at all, because when you think about the parish of St. Lucy, it is a long time that St. Lucy did not have a representative.

You know, Mr. Deputy Speaker, I always tell my colleagues, I always give a sound warning to them, "Do not expect that I am going to sit down here and say "Aye" for all the other constituents and nothing for the parish of St. Lucy. You all have brought me in here to say "Aye", but I will say "No", and then go back to St. Lucy and continue the way that I was going."

When I look around and I read the newspapers, and see this thing happening in St. James, this thing in Christ Church, something in St. Philip, St. George, St. Thomas, St. Andrew – all over the place – and nothing happening in the parish of St. Lucy, it hurts my heart. But I would like to let you know now, Mr. Deputy Speaker, that the Democratic Labour Party did not add to St. Lucy. But do you know that they substracted? Now, they get around the place and give you the impression, try to fool the people, that the white people of this country, who used to be Conservatives, are the worst people in the world. I cannot agree with that. I say that you have good white people and you have bad white people. You have good coloured people and you have bad coloured people.

But I will tell you this, Mr. Deputy Speaker: we had five playing fields in the parish of St. Lucy before 1951 by the white people. When we came into power in 1951, we went and acquired a piece of land from Lowlands in St. Lucy and we built the only community centre that we have in the parish of St. Lucy; so we made it six.

But look at what the Democratic Labour Party did for St. Lucy in the last 15 years in relation to playing fields. There was a place called Old Parry School Pasture, which was one of the best fields. It was a bit neat, it was a bit small, but it past the test, you could play cricket there, and do you know what those fellows did in the last going down in 1976? They went and put the telephone exchange on that pasture where the boys and girls used to play. Instead of adding one to the number, they substracted one, so you would understand how they really thought of the people up in the north.

Mr. Deputy Speaker, when you looked around, we had quite a lot of land where they could have put the Telephone Exchange. There is no shortage of land. We have a lot of land around there, so they could have found another place to put that Telephone Exchange; but now when you think of the boys from at Benthams, Bourbon, Pickering, Mount Gay, Alexandra, Alleynedale, there is no place for those young boys to play.

But I am going to serve notice now that by this time next year when I open this sheet, I will be able to call out something for that area that has been done somewhere around St. Lucy Parish Church. You all will have to find somewhere around there for the boys and girls to play and to have their own thing as in the other constituencies.

I would also like to serve notice and let my constituents know at this time that the Members on this side have given me the assurance that they are going to acquire land at Crab Hill Plantation where the boys and girls from Crab Hill can have their own playing field, and out in the vicinity of Archer's Bay.

I am sure that all of you here have read and know that the Checker Hall Pavilion is to be started soon. I am assured that we will have something there for the boys and girls at Durham's. I am sure that we are having a place for the boys at Connell Town so you will understand, Mr. Deputy Speaker, that I am very very happy with the performance of the Barbados Labour Party towards the improvement of my constituency over the past two years.

Mr. Deputy Speaker, I will have to speed up because my time is running out so fast. When you look around the parish, you look around the parish, you see the road which is now being built in Checker Hall, a road is being built in Rock Hall, a pipe track is being cut in Pie Corner, a pipe track is being cut in Josey Hill, a pipe track is being cut in Pickering. You all know Pickering well, and we have just put a big pipe main there, and a pipe track in a place called Hannahs. We have also put in pipe tracks in Rock Hall and we have also put in pipe tracks in the district of Checker Hall.

I told my people in St. Lucy on the platform in 1981 that if in two years time and I do not see some kind of progress in the parish of St. Lucy, I will come back to them and resign. I went to them a few weeks ago and asked them what to do, and they said, "Ride on".

Mr. Deputy Speaker, the honourable Member for St. Michael South Central (Dr. R. C. Haynes) spoke about mismanagement. I used to think years ago that every doctor used to be really brilliant, but when you come in here in this Honourable House and you hear the kind of arguments he puts forward, I would really like to have the T.V. Cameras in here more often, so that the people in his constituency, and all the constituencies in this island, would hear the amount of times he is called upon to withdraw certain remarks, to sit down and all of those things.

He went to a political meeting in St. Lucy a few weeks ago and he told the people down there that I cannot make a contribution. That is all he could say. But if I have to come in here and move the mace from there or to be an obstruction to make a contribution, I would not be coming in here for that. I am coming in here that the poor people of St. Lucy can have some betterment, that I can see some sort of prosperity for them.

Mr. Deputy Speaker, I would like to touch now on defence and security. The members of the Democratic Labour Party hate to hear about defence and security. I do not know why, because I believe that law and order is very important for this country. Mr. Deputy Speaker, we know that those people are friends of some of the most doubtful characters in the islands. And all over the world, when you hear of coup gangs, whensoever you hear the association, they are lined up with members of the Democratic Labour Party; so that really does not worry me at all.

I am really sorry to touch again on my good friend from St. Philip South. He said yesterday that this is a big man's Budget, that it had nothing for the small man. I really cannot understand that. When you say it is a big man's Budget, is the big man going to buy the most kerosene oil in Barbados? You should realise that in 1976, when the Democratic Labour Party was in power, a girl working for $35 a week had to pay tax and she would still have to pay 65 cents bus fare.
11.55 a.m.

Let me read some of the benefits derived from the 1983-84 Budgetary Proposals: reduction in the retail price of kerosene from 69 cents to 62 cents per gallon; removal of surcharge of 7.48 cents per litre or 28 cents per gallon on kerosene oil; limit at which higher rates of Consumption Tax applies to motor cars will be raised from $16 000 to $20 000; cost of cars in this bracket to be reduced by amounts of $3 000 to $4 000; removal of Consumption Tax on falernum; removal of Consumption Tax on shingles made from wood.

There are many people coming around and telling me that they would like a bundle of shingles to help them out, and I am so glad to hear that the shingles will be reduced. A lot of people still use shingles. When my friend said that the tax should be removed from galvanise, you cannot use galvanise near to the sea sprays because the sea spray will eat up the galvanise; you have to use shingles.

Taxpayers earning up to $7 000 annually will enjoy a tax credit of $360 and those earning $7 001 to $8 000, a credit of $180; the repair allowance of 4 per cent increased to 10 per cent in the case of ancient buildings which are being preserved – an approved list will be published – public officers will receive an interim advance of 2½ per cent on monthly salaries. All these things that I have just quoted relate to real poor people.

I would like to say a few words now on agriculture. I have to be very fast on that. I would like to commend all the honourable Members on this side who had a hand in agriculture. The Barbados Labour Party, even before it got into power, always said to give it a chance and it would reduce the food bill in this country.

We all know that in 1974 we had to buy sweet potatoes at 75 cents a pound. When we bought those potatoes at 75 cents a pound, a female worker in that day used to work for $8.40 and a male worker used to work for $10 a day. But now today, listen to the work, Mr. Deputy Speaker: a female worker today is working for $21.44 and a male worker is working for $25.84 a day, and yet the potato price is only 35 cents. What a contrast!

Do you know, Mr. Deputy Speaker, why this country is not bending under recession? It is because our food bill is very low. Now you would know that the price of tomatoes this year was 80 cents a pound. It is the first time in 20 years that you could get tomatoes in this country at 80 cents a pound. Tomatoes in Trinidad, next door to us, are $8 a pound, and we know that, all through the Democratic Labour Party's regime, tomatoes were being sold at $5 a pound; so you will understand the position, and what is going on in this country today as far as that is concerned.

Mr. Deputy Speaker, there are some people who tell me that they do not eat yams and potatoes now; they eat something different. I ask them what about carrots, beets, lettuce and cabbage and pumpkin. One time we used to import, but now we are exporting. Mr. Deputy Speaker, when you think that there is now a demand for any kind of belly pumpkin, sweet peppers, okras, potatoes, yams and whatever, you can see that this is a party with a difference. Yesterday when I heard about the demand and the outlets from the honourable Minister of Agriculture, it really lifted my heart, because it made me feel happy.

I had two people living at me two weeks ago from Trinidad and when I saw these people catching at corn meal, they told me that two pounds of corn meal in Trinidad are for $5, and you have it here at $1 and some cents a pound, and I realise that Barbados is a little heaven.

But we are not in heaven here yet. We know that the recession is biting in England, it is biting in Canada, it is biting in the United States. We are doing most of our business with these countries, and yet last Sunday a member from that side wrote in the newspapers that recession has not touched here yet. I am surprised to know there are so many people that can write so much trash in the daily newspapers. But it is their right that they can write whatever they like to write.

When you look at the price of chicken and all these things today, and everybody is crying out and everybody is saying that we have a glut, who planned the glut? If we did not plan this it would not be possible.

Now as far as sugar is concerned, do not talk about that at all. You know I am a small planter, so when you look to see the benefits that I have gained since this party came into power, you can understand. There is a big demand for canes. I remember this time last year everybody over there was crying out about Portvale Factory – this factory was such a bad factory. And it was a poor humble man that set up that factory, and the members of the Democratic Labour Party humiliated him by saying he could not get the factory to work. They never believe that it would work.

But you all know that it is working, and working well. You cannot find canes enough to satisfy it, and a poor man from St. Peter, a poor, coloured boy is responsible, for the first time in our history, for erecting a factory in this country, and it is one of the best in Barbados.

Mr. Deputy Speaker, I am sorry that my time is up; I would like to speak a little bit on the health services. The honourable Member for St. Michael West Central (Mr. L. A. Weekes) spoke about the nurses at the hospital. I thought he would have recommended something for the nurses, which is something I see with my eyes, and which would be reasonable.

I believe the nurses work hard and I believe they should be cared for and treated a little better. I am going to appeal to the Minister of Health (Hon. Dr. D. G. Blackman) that the same way that the Courtesy Garage, Ford Company and Intel can find transportation to bring their workers to town, you should find some sort of transportation for those nurses, to bring them at least to the bus terminal in town when they have finished a hard day's work. You see these people working so hard, and then you see them trodding through the rain and the sun only to go and catch a bus, so I feel it is our duty that we should do something like that to help the nurses in this country.

Mr. Deputy Speaker, I do not have to tell you that when the Democratic Labour Party took over power in 1961, they found four polyclinics and they gave us back the same way they found them. They never did anything with them, but for the short space of time that we came back to power, we have added three more. We rebuilt the same old ones that we handed over to them, and then put three more with them; so instead of four, there are seven.

So on every side and at every point, wheresoever you can turn, Mr. Deputy Speaker, the Democratic Labour Party has let us down as far as performance is concerned, and when you look around and see the movement in this country – and there are some members from that side trying to mislead the public – you can see the work of this party.

Mr. DEPUTY SPEAKER: I deeply regret having to interrupt the honourable Member, but your time has expired. I will give you a few seconds to wind up your debate.

Mr. R. E. BRATHWAITE: Finally, Mr. Deputy Speaker, I am sorry that I could not have talked about the old people's homes. I agree with the honourable Member for St. Philip South that they knew they would have lost, because when you think of closing down the homes and sending people from St. Lucy to St. Philip and the ones from St. Philip to St. Lucy, you could never expect a Government like that could last. Mr. Deputy Speaker, that is as ridiculous as you would want it.

I am sorry that I cannot touch a little bit on Communications and Works, because I would say that when you think about the St. Barnabas Road, when you think about Spring Garden and when you think about the Globe roundabout, we have transformed this country in such a short space of time.

Mr. Deputy Speaker, I thank you very much for bearing with me and now I am appealing that we all work together for the betterment of this country, and I am sure that the Lord will be pleased with us. People all over the world are admiring this country of Barbados, and I am sure that once we keep our hands in the hands of the Lord, He will take us through.

Mr. N. K. SIMMONS (St. James South): Mr. Deputy Speaker, I have listened most carefully to all the contributions made by the honourable Members in this debate, in particular that made by the last honourable Member who just sat down, and I say that, because you appear to be most humble, it does not give you a licence to be most misleading. I shall deal with what he has had to say at a later stage, if I get the opportunity.
12.05 p.m.

But having gone around the country and having heard the comments of those who have listened to the debate, I have come to one conclusion – that people are trying to find out what is the purpose of a debate. Indeed, I myself am asking the question, "What was the purpose of this debate?"

I went home and I saw a textbook on Economics written by J. L. Hanson, I believe he was a lecturer at the Huddersfield College of Technology, now called the Huddersfield Polytechnic. At Chapter 13, Public Finance dealing with the Budget, page 574 – it is the Seventh Edition – he says:

> "In recent years the Budget has been readily used as an instrument of economic policy.
>
> 1. To check inflation or an adverse balance of payments. (This is speaking merely of England for much of the time during the past thirty years). Taxation has been maintained at a higher level than was necessary to cover government expenditure in order to achieve a budget surplus. The aim being to reduce the amount of purchasing power in the hands of the consumers.
>
> The first time this policy was attempted was an interim Budget of November, 1947.
>
> A surplus has generally been achieved by increases in indirect taxation on account of the disincentive effect of direct taxation. It is extremely doubtful whether by itself this type of Budget can be successful. Since the increased taxation falls on commodities, it will raise their prices, thereby raising the cost of living and leading trade unions to make demands for higher wages. As a result, the inflationary spiral may be stimulated instead of being checked."

He goes on:

> "A similar policy has frequently been adopted to correct an adverse balance of payments since this in itself is often a consequence of an inflationary domestic situation.
>
> During 1964–67, there was one Budget after another of this kind, consumers demand being curtailed to such an extent that serious unemployment was the result. Even so, it did not save sterling from devaluation. Since 1961, there has been a succession of budget deficits."

And:

> 2. "To stimulate recovery from recession. On a number of occasions in recent years, the effect of this inflationary Budget has eventually been a rise in unemployment.

> Concern to maitain full employment has then led governments to reverse their previous budget policy and try to stimulate demand by a reduction of taxation.
> In the minor recessions of this period, this policy was usually sufficiently successful to make inflation again the problem of the day."

The question is, "Where do we stand in these two principles?"

I believe it is now accepted that we are in the throes of a recession and I would think that the purpose of this Budget would be to create employment. We have not heard – at least, I have not heard – neither have I read anywhere in the Financial Statement and Budgetary Proposals of the right honourable Prime Minister and Minister of Finance, any steps which he has taken to improve the unemployment situation. He has admitted that since last year this time, 2 300 people more have been unemployed.

We have seen – and these are my words now – that the purpose of a budget is either to restrain an overheated economy by way of reducing spending or to stimulate demand through the granting of incentives to individuals through the reduction of taxes and the increasing of Government expenditure.

The one per cent at this present time cannot be an incentive to industries. Indeed, it is a disincentive to industries. If you paid one per cent on a vote of $500 000, that is $5 000. Indeed, this was intended to raise $7.3 million. And one would have thought, with the pending prices developing from the Trinidad situation, that the right honourable Prime Minister would have had a second thought, knowing that a number of industries at this time are on the verge of closure, and, therefore, would have given them some encouragement to continue. But that has not been the case. Where are the incentives to the individuals?

In my first reason for a budget, it was noticed that indirect taxation is a disincentive to individuals, and again we have seen an increase of indirect taxation by way of the one per cent levy. Let me say this, the one per cent levy hits everybody the same way, and that is not an encouragement to anybody.

What has the Government done to increase the employment situation in Barbados? They have spoken of roads, but those of us who pass these roads would realise that, many times, there is more machinery than there are people. If you go by the St. Barnabas Road or the Spring Garden Road, you see ten pieces of equipment and six workmen. There is no mass employment-oriented programme. This is the duty of a government at a time of recession.

It is said that you have road building. As I have said already, if you go down the Spring Garden Road, I have never seen more than ten people there any one day yet in the last year and a half. And are you going to tell me that this Budget is designed for the purpose of improving the employment situation in this country?

I laugh at times when I hear people on the other side say that the employment situation is better today than it was. You know, we tend to forget because of fogged brains. You will recall that in 1975, or prior to the Barbados Labour Party coming into power, the self-employ worker was not registered, was not obliged to register, and therefore he would not figure in the statistics. But since then, he has had to register. They have forgotten that whether or not he was working in 1975 or 1981, he was still working. But the fact of the matter is that he was not registered, and therefore to them, employment has improved. That is a joke! It is a fallacy! You can take statistics and do whatever you want to do with them, and that is the point here.

Go into any housing area in this country and tell people, or try to suggest to them, that the employment situation is better today than it was in 1975 and see what happens. They would put you out of the place! It is a joke, a total joke! Ask yourself about the number of school children who have left school in the last three years and have not found jobs.
12.15 p.m.

If you look at your own statistics, you will see the number of young people out of work, unless you are counting the young people who are in prison as workers, because the prison population has increased from 220 a year and a half ago to 350, over 50%. That is an achievement on their part, so they think. I think, as a person who loves young people and who works with young people, that it is a crying shame that they are doing little or nothing for the young people of this country.

I want to take issue with the Minister of Tourism (Hon. H. B. St. John). When he spoke last evening, I really thought that he would have told us something about tourism. Now, tourism is one of the industries which, of necessity, must employ a lot of people – maids, cleaners and so on. The tourist industry in this country is in shambles. From the letter to the Director of Tourism we understand that the handling of the tourist industry has been worse than the worst hurricane any place in the world. Those are their remarks, not mine, but yet they want us to believe that the problems with the tourist industry start overseas.

The problem with the tourist industry is here, and I would suggest to the honourable Minister of Tourism that he get up out of his ministerial seat and go and

find out what is happening in tourism. I will tell him some of the problems, and possibly some of the solutions.

He has spoken about the attitudes of the workers in the tourist industry. There is no youngster who has five G.C.E. subjects who would expect that he should work in the tourist industry as a bell boy or a waiter all his life. That is one of the problems in the tourist industry. There is no upward mobility for the workers in the tourist industry to management level.

If you go on the west coast, you will find that nearly all the hotels, if not all, have expatriate managers, and medium scale managers as well. This is the problem. The workers cannot take it out on the management, because they will be fired; they take it out on the guests in a very subtle way. They might not abuse a guest, but when you call for a drink they do not hear you. You cannot prove to anybody that they heard you, so they ignore you. That is a serious problem.

Another serious problem in the tourism industry is that all the ancillary services are given to non-Barbadians. You go down the west coast – I was born on the west coast, I grew up on the west coast, I live on the west coast, and I know as much about the west coast as anybody in this House, and I can tell you about it, and I had something to do with tourism as well – you go on the west coast and you will see. The newest hotels on the west coast have given all the ancillary services to expatriates. And we have youngsters on the coast, not black Barbadians only, white Barbadians as well, because some people believe when we on this side talk about Barbadians we only talk about black Barbadians – the white Barbadians have been pushed out as well, and I make a plea for them as well. We are all Barbadians in it together, and we either sink or swim together, and it is in their interest that they get a piece of the cake as well.

You go down to the west coast. In all the new hotels that have been opened on the west coast, you will find that the water sports are given to somebody's friend from overseas, the boutiques to somebody's friend from overseas, the delicatessens to somebody's friend overseas. Not a Barbadian involved!

Do you expect intelligent Barbadians, therefore, to accept tourists or visitors to this island as if they were going to be employed and get the benefits? Every man knows what contribution he can make to any given thing, and if a local is denied, then he takes it out on the people who are brought in. I believe that the honourable Minister should address himself to some of these problems.

We also talk of racism. There is racism in the tourist industry, in Barbados, and I have not got to refer to the Desmond Haynes issue to remind you most vividly of what happens here. I find it passing strange, Mr. Deputy Speaker, that a worker in a hotel in Barbados is denied an opportunity, after work, of going back to the same hotel and having a drink when he is off. They cannot do it, they are prevented from doing it. They are even prevented from speaking to the guests in the hotel on their off time. What do you expect of a human being? Then you say that we are unfriendly! These are the matters which we must bring to you.

I am saying, and I have said it on a number of occasions, that it is my belief that kiosks should be erected on the beaches so that people can sell what they have to sell. I know there is a lot of harassment on the beaches from people who are selling. Now a man is given a licence to walk the beach, he feels that anybody who is lying on the beach has some change and he approaches him, whether that person is sleeping or not sleeping, whether that person wants the commodity or does not want the commodity. This is wrong. I believe that kiosks should be erected on the beaches so that those who want to sell can go there and stay there, and people who want to buy can get off their chairs, or from sun bathing, and go to those places where you have the kiosks.

I want also to say this. The Minister of Tourism seems to think that by giving people licences to work on the beaches, he has controlled that problem. There are more people on the beaches today without permission to sell than there were five years ago. There are more people on the beaches today without licences to sell than there were five years ago. Ask anybody who sells on the beaches and they will tell you that is one of their problems.

A fellow who has a licence and an identification card can be seen, the fellow who has no licence and no identification card, you cannot identify him so easily, and these are some of the people who cause some of the problems. So I believe that in this area, we should as far as possible, have kiosks. In Jamaica, for example you do not have people going around with bags selling, they stand in one place and people come to them. This is important.

If we are also going to improve our approach and our attitude to tourism, I believe that one of the essential elements of the tourist trade, that is the taxi drivers, should be trained properly. I find that outside the Customs, the first person the visitor to the island meets is the taxi driver. I am not happy with a number of the taxi drivers and their approach. Unfortunately, in this country we have been telling our people for so long that they are better off than other people, so that when a man comes in from Canada and he says he is only a clerical worker and can only pay the legal rate from the

airport to the hotel, the taxi driver gets annoyed, because he feels that you have no right being here – if you are just as well off as I am, you should be back in your own country, do not come here.

We have developed that attitude among the workers themselves, in particular the other side, because we keep so often referring to our standard of living being as good as that in England, America, Canada, so the fellow at the bottom feels that when these fellows come here they should be better off than we are, and if they do not appear to be better off than we are, then we give them the back of the hand, This is not good enough.

I can understand the Minister's problem though, because he has had a slap in the face with that letter. I can understand how he feels. Having gone through that situation, anybody would be bitter. And it does not give him any encouragement to try to look for solutions, because there is somebody else who, in my opinion, and from reading that letter, wants to take over the Ministry of Tourism, so why bother? You cannot give somebody something and then decide to run it yourself, or tell them how to do it. I believe the best approach would have been to call in the person and discuss it, and then try to do something.

But that is not my particular business, I am only interested in making sure that my people get jobs in that industry and that the industry improves. I believe that all of us, Mr. Deputy Speaker, should pay attention to what is going on and try to see, as far as possible, what solutions can be arrived at so that the industry can be at the take-off point and that it can be of benefit to all persons. 12.25 p.m.

Another area which is of concern to a number of people is the beaches, and I speak in particular of the beach at Fitts Village. For a very long time there has been a groyne erected on the beach of Fitts Village, and that groyne has taken the beach away from the south side of Beach Village and has created what can be considered as a temporary private beach.

Irrespective of what you read in the papers about the people of Fitts Village enjoying that beach, that is an absolute joke, and the people to the south of the Village are annoyed by the fact that nothing has been done to remove that groyne.

It has been said that words mean nothing. People want action. After a time you have to put those words into action, and for about 18 months now we have been hearing that the groyne from Fitts Village will have to be moved, that the groyne from Sunset Crest will have to be moved, that the groyne from further down the road will have to be moved, but nothing has been done. How do you expect people to react to this situation. Do you expect people in that situation to appreciate and still use that hotel and be satisfied when they themselves cannot get to the beach?

We have got a situation in St. James, north of Tamarind Cove, where a hotel has been built and the fishermen cannot get to their boats, as their boats are about five yards from the low water mark. Do you expect those people with boats down there to be happy? I ask these questions. I do not have the answers. Do you think that if I were a fisherman I would be happy? I know that if I were a fisherman I would not be happy. Do you expect them to treat the tourists at that hotel in the same way they are treating the tourists at Tamarind Cove? These are problems facing our industry and these are some things that we have got to look at.

Mr. Deputy Speaker, I want to move now and look at some of those projects to which the Minister of Trade (Hon. H. B. St. John) referred, and complimented his party on building. I want to start with the cement plant.

I wonder if he realizes that, initially, the cement plant would have cost this country $50 million, and today the same cement plant is costing $220 million. It took them four years to start the cement plant, and almost $200 million more. That is complimentary, saddling the people of this country with a debt of another $170 million.

Mr. Deputy Speaker, some people do not understand; they will never be able to understand. Some people feel that because they can shout hard and their saliva can fly from over that side to this side, you can distort and mislead the media; that that is making sense. Some people feel that because you can demean yourself and be impolite and uncouth, that that is being sensible. That is nonsense. This House is about the issues of Barbados and if you shout from over there to over here, you are only idiots yourself, because you do not understand.

I have been brought up to ignore certain things, and I will continue so to do, but it is unfortunate that we have to deal with idiots in this place, or people who do not know better – but this is a fact of life. One thing about politics is that you have to mix with everybody. You have to mix with all kinds, who should be and who should not be, but I will come back to the point at issue.

Mr. Deputy Speaker, if they believe that the Heywoods Project will finish by August or September, they are wrong. Heywoods will not finish under twelve months. And I would ask the Government, when they are bringing in foreign companies to work in this country,

to check the credentials of the people who are coming with these companies.

I had a rather embarrassing experience two weeks ago. I found out that the Project Co-ordinator of Heywoods – and that is a very big sounding post to me – attempted to do what he called the NZCB, the New Zealand Certificate of Building. That is what he attempted to do! Not even a Certificate in Building has he got, but he is the Project Co-ordinator for Heywoods, drawing $31 800 a month in Barbados and also being paid overseas! He is also in charge of security! Are you surprised that at Heywoods Project that they put up a building one day and take it down the next day! Are you surprised? I would ask him to look carefully, because I am told, reliably, that the Heywoods Project will cost another $26 million. Check it out!

When the Heywood's Project was first envisaged, the idea was that it would have been owned by Barbadians. We had that idea because we felt that the Barbadian hoteliers or the management of hotels were not getting a fair break. Today, do you hear what is happening? They are looking at overseas people, so the chap who has gone overseas to study Hotel Management under that good Government, according to him, has no chance whatsoever. But this is the position and we have got to watch these things.

I sit down and I smile, because it seems to me as though we are running a Government from a text book. Government is about people, and this Government has forgotten about the people of this country. It is all right to write about ideas, but in the final analysis, those people are suffering, and the people of this country are suffering bitterly.

I am amazed! They do not read their own documents, you know! On page 3 of the Budget, about halfway down – and this is a very startling revelation, it says – and this is the Minister of Finance! –

> "Finally, the inevitable adjustment to temporarily declining living standards caused by factors outside our control, has been carried out in an orderly and humane fashion....."

You know something? It sounds as though he is saying:

> "I am going to kill you, but be careful. I am not going to cut off your head. I am going to give you an injection and you sleep slowly and peacefully, and you will still die."

.....by the design and implementation of a comprehensive and inter-related set of policies aimed at ensuring that the reduction in income is accommodated by compensating reductions in demand. These policies, which are the sole responsibility of the Barbados Government....."

Do you understand, Mr. Deputy Speaker, what they are saying? That they are deliberately setting about to reduce the standard of living of the people of this country. They have done that, and they have admitted it in this document.

The one sure thing about writing is that you cannot come back later and say, "This is not what I really meant." It is there for the record, and this should be kept by every person in this country as long as they live, and be judged.

I am sorry, Mr. Deputy Speaker, that I could not go on to Education as I wanted to, but at another time possible I will. But they will be judged by their record, and their record is written on page 3. It was not the doing of anybody else. It was their doing. They have decided that they will reduce the standard of living of every living Barbadian.

I thank you.

Applause.

Mr. DEPUTY SPEAKER: The hon. Member for the City will now address the Chair.

Hon. Miss B. A. MILLER: Thank you, Mr. Deputy Speaker.

It seems that we have had a little difficulty with the Budget today, Mr. Deputy Speaker. Let us be very truthful. It is nothing like what the Opposition expected, it is nothing like what the Opposition predicted, and saw last night and already this morning, that the Opposition is really not in a position to deal with the Budget.
12.35 p.m.

The first spokesman for the Opposition complained that he had too little time. One hour and forty-two minutes was too little time to make his points. I remember, Mr. Deputy Speaker, the time when the Prime Minister was the Leader of the Opposition that he did not have any time at all for preparation. The chief spokesman had 24 hours to go home and study the Budget and its proposals and to come back and speak for one hour and 42 minutes. I remember once when we were in Opposition our leader was forced to get up and answer immediately and directly following upon the Budgetary Proposals of the then Prime Minister who is now the Leader of the Opposition. I remember yet another Budget when he had 37 minutes to reply.

The reply to the Budget began with a complaint and it has been going downhill all the way since then.

That first spokesman, having said that he was not an economist, then proceeded to quote I believe some 46 economists. Another honourable Member then got up and proceeded to tell us that his own speech was a bore, and then another honourable Member got up from the Opposition benches and, to use his own words, took his speech to an "illogical conclusion." All of that we had in here last night!

Another honourable Member of the Opposition got up, Mr. Deputy Speaker and proceeded to propagandise about the School Meals Programme. This was a cause for some disappointment on my part, because, normally, that honourable Member checks his facts.

The School Meals Programme started during the administration of the Democratic Labour Party with a menu every week of some hot meals and some, what were then described as, bun lunches. That is what it started out with, that is what it has continued with, and that is still the case today. There are some hot meals and some bun lunches.

Then he went on and on and he got entangled in his shadow portfolio, which I believe is Health.

The last speaker for the Opposition read from a book at great length. I shudder to think what is likely to emanate from the Opposition benches for the balance of this day and for the rest of the debate. I have reason to believe that – well, there is no garden in this Honourable Chamber for anybody to hide and Adams has already spoken, but there are some who like Adam, would prefer to be in the garden hiding from this debate. A newspaper made the point this morning that if the Opposition had any sense they would congratulate the Government on the Budgetary Proposals and sit down. But no, we have all of what I have just been describing, and, in truth and in fact, what we have come to now is that nobody is any longer debating the Budget.

Now, Mr. Deputy Speaker, we are all Barbadians, and I believe that we are living in times of plenty, as our National Anthem says, and we are also living in times of need. That is true of all times; there is nothing new about it; and one man's plenty today will be another man's need, and it works vice versa as well. What this morning is a particular woman's need would look like plenty to yet another woman.

I have heard a word reverberating in this Chamber over the past two days from both sides, and that word is "attitude". I think, Mr. Deputy Speaker, that perhaps this is something that Barbadians as a whole, not only in this Parliament of Barbados but everywhere, need to examine in this year of 1983. Individual attitudes influence and, in the end, culminate into a national attitude, and some of our attitudes are not good ones.

Sir, we have been hearing complaints about the attitude of the nurses; we hear complaints about the attitude of some patients; we hear complaints about attitudes of some teachers and, on the other hand of some students. We hear complaints of the attitudes of people who work on the road systems, we hear about attitudes of people who work on the bus service. But that is the nature of life; it suits some of us, some of the time, to hold out a particular attitude and say that it personifies the national attitude.

We must not necessarily, I think, Mr. Deputy Speaker, be overly harsh with ourselves, but at the same time I think we have a duty as a nation not to be too soft with ourselves, not to mollycoddle ourselves.

I have said that these, like all other times, are times of plenty and these are also times of need. I have heard from the honourable Minister of Agriculture (Hon. Dr. R. L. Cheltenham) and from other speakers in this debate. Let me use the illustration that in the agricultural sector, as far as sugar is concerned, it is a time of great need. There is a need for us to cut canes green, there is a need for us to increase the per hectare acreage of cutting green canes, there is a need for us to stop burning the canes, there is a need for us to increase productivity in the sugar aspect of agriculture, and so as far as sugar is concerned, it is a time of need. And yet, out of those same mouths, we are hearing that in the non-sugar sector of agriculture, it is a time of plenty – a time of plenty not only in terms of production but in terms of export.

We have been hearing a great deal, particularly from the speaker who last spoke, that in the tourism sector it is also a time of great need. I also believe that in tourism it is a time of need, a need for us to make a genuine assessment of our tourist product, a need for us to restore that product to what it was once upon a time. We have heard much criticism, we have heard much speculation and we have been offered all sorts of advice, but I do think that it is about time all Barbadians pull their weight together in what, after all, Mr. Deputy Speaker, is one of the main planks of our economy.

Mr. Deputy Speaker, the Opposition asked very early on, "what is happening? What is happening with the $2 billion in revenue which this Government collected over the past several years? What is happening i iis country?" Those who have eyes to see in Barbados know what is happening. What is happening in the health sector? What is happening is that the Health Service has been very carefully planned and that the Drug Service has been launched. It brought a great deal of relief to diabetics and to hypertensives. It does not matter what you say; if a man or a woman out there is a diabetic, or a hypertensive, or a sufferer of cancer, or is over 65 years of age, that person knows that it is a time of plenty, that is, of the Barbados Drug Service.

12.45 p.m.

The question is "What has happened with the $2 billion in revenue?" We are still in the health sector. We have built seven polyclinics. We have bought a raft of new equipment in the Sanitation Service. Even now, new trucks are coming on to the streets every week. We have finished building the Pulverisation Plant and the Sewerage Project.

It does not make sense after all this time for the Opposition to go on claiming that this was their idea or that was their idea. It has been said on this side already, you cannot man an aeroplane on an idea. You cannot pick up garbage with an idea. If you did not plan your business in such a way and if you did not inspire the kind of confidence in the people of this country so that they felt that you were capable of doing it, that is a problem entirely for you. And I would venture to suggest, Mr. Deputy Speaker, Sir, that that is still a problem for the Opposition. But that is where some of the S2 billion have gone over seven years, in the health sector.

What is happening with our roads? That is the question which the honourable Member for St. Michael South Central (Dr. R. C. Haynes) asked. St. Barnabas Highway is happening, the Spring Garden Road is happening, tenantry roads, which were never touched during fifteen years of Democratic Labour Party rule, are happening, and a whole host of other subsidiary roads. That is what is happening in the road sector, in the sector of communications and Transport and Works.

What is happening in housing? Fernihurst happened in housing during the past seven years, Rosemont happened in housing during the past seven years. Haynesville happened in housing during the past seven years, Wildey happened in housing, Sion Hill happened. Even now Bonnetts and the Ivy, and, thanks to the Barbados Labour Party, St. Cecilia in Passage Road in the City of Bridgetown is what is happening in housing. All of this costs money.

(Mr. B. M. TAITT: It is taking too long.)

Hon. Miss B. A. MILLER: I know it is taking too long. I am not going to be able in my half hour, which is allotted to me, to say all that we have done with the $2 billion, but I am going to make a try of it. I have not begun yet to talk about the schools, which have been expanded, newly built, repaired. All of this expenditure speaks for itself, and I submit that these are all areas of plenty for which Barbadians as a nation are grateful today.

I am not saying that there are not still – despite all that has been said before – areas of need in those same sectors of housing, health and education. That is the dynamic of human existence. New areas of need come into existence every day and we are addressing those areas.

And not only in the social sector, Mr. Deputy Speaker, Sir, but also in the productive sector. I do not have to go over it again. We have heard it from other speakers during the course of this debate. But even in the productive sectors we have been able to divert some of those monies, so that our priorities our needs as a nation and our demands can be met.

What happens in the end is that we cannot eat our cake and still have it in our hand too. Everybody knows that everything cannot be done at one and the same time, and everybody knows that every year, in the Budget, you give priority to some sectors and other sectors have to wait. I believe that in seven years we have touched almost every sector – some more than others, dictated by the needs felt in our community, and we do not make any apology for it.

And we have done all of this, Mr. Deputy Speaker, particularly in these recent years, in the face of international circumstances prevailing outside of Barbados. Where others around us – and not only immediately here in this Caribbean region, but far away from Barbados – both near and far – are strangling and drowning, we are managing to keep our head and shoulders above water.

We are not bankrupt, and the Opposition has been forced to admit that, even in this debate. We have not devalued our currency. We are struggling to contain the problem of unemployment. We have beat inflation into control. Food has not disappeared from the shop and supermarket shelves of Barbados, Mr. Deputy Speaker. In fact, to the contrary, we are accustomed still to a situation where we can walk into a supermarket and find not one, but at least four or five brands of the same item on the supermarket shelves . When we turn on our taps in Barbados, water comes out. When we depress the switch, the electric light comes on. Our telephones work. Children go to school. Hospital beds are available.

We need to ask ourselves, Mr. Deputy Speaker, "How many countries, not only in the developing world but also in the developed world, can make all of those claims that I have made in the same breath and at the same time?" Many countries can say, "Yes, we are on par with you in some but not in all." It is not a small accomplishment for little Barbados to boast of in this year of 1983. We get credit for it outside of Barbados in a way that we do not get credit for it at home. But that is not anything strange either; that again is the nature of human kind.

Mr. Deputy Speaker, all of these things cost time and money. In those areas are where the $2 billion in revenue has gone over seven years. If we had a population today of three quarters of a million rather than a population just short of half a million, I would not have been able to make those claims which I made just now. And the Economic Report and other statistics show us that even in the area of population, we find it possible to maintain control.

You see, Mr. Deputy Speaker, we have in this country, and it is not peculiar to Barbados, an attitude

which glorifies in mediocrity. We are terrified to be called elitist. We are terrified to want to aim at excellence. There is an attitude that you must pull everything down as far as possible so that everybody can be on the same plane. That contradicts human nature.

Some of us are more endowed than others in some respects, but each of us has a talent, each of us has a gift. We do not always look within ourselves to find it, but it is there, and each of us has that special contribution to make to Barbados.

We take for granted the plenty that we have in Barbados today, particularly the younger generation which have come and found an atmosphere of plenty. I think it is time that we restate and remember some good old-fashioned virtues and qualities, qualities like honesty, hard work, caring, thrift, a sense of what is right and correct.

There is a feeling in some quarters that independence means that none of those things are important any more. But the truth is that independence means that, as a nation, we have greater responsibility, it means that we have to work harder, it means that we have to have wider vision, it means that we have to be more tenacious and to have greater fortitude.

I was brought up to understand that if you wanted to do better than the other fellow, Mr. Deputy Speaker, you had to be prepared to work harder than the other fellow, and longer than the other fellow. And yet, we continue to take it for granted that buses run, that potatoes grow, and that when you go into the market, there will always be plenty to choose from on the shelves.

We are lucky, Mr. Deputy Speaker, and I use that word deliberately; we are lucky that we have not been savaged by the international recession in a way that better endowed countries than Barbados have been in these recent years and months.

This Government is a good Government. The Government of Barbados is in capable hands, Mr. Deputy Speaker. That is what I have been hearing on the street in these last few hours since the Budget was presented. The feedback coming to me is that this Government is in careful hands, it is in competent hands, and that it will continue to be so. I do not expect that will give any comfort to the Opposition, but, again, that is a fact of life. Ordinary, right-thinking Barbadians do not need all these graphs and teaching aids that we have been presented with in here over the past few hours. They do not need all the complex technical jargon of the economists to see and understand what the state of the economy of Barbados is today.

12.55 p.m.

Let us remember, Sir, that economics is not a precise science nowadays, and a lot of the 46 which were quoted from on that side, are even afraid and ashamed to refer to themselves as economists. They are now describing themselves as social engineers, Mr. Deputy Speaker.

Of course, they are dispirited! All these economists, minute writers and report writers that we have had quoted to us during the course of this debate still have to drive home on the same Spring Garden Road as you and I and all the other people who live in Barbados. They shop at the same supermarkets, their children go to the same schools, the same hospitals and the same clinics. So you must not as an Opposition attempt to underestimate the understanding of the ordinary man and woman in the street out there. It is always fatal to do that, and that is what has happened in here, that is what is coming from the other side to us in here.

Even now this Barbados Labour Party Government is planning to be ready for when the time of recovery from this international recession comes. We are told that the time appears to be at hand. Whether it is or not, we will be ready for it. This is a party and a Government of vision and foresight. We were chosen to govern this country in 1976 because we have vision and we have courage to realise what we envisage for Barbados. We were chosen again in 1981 for those reasons, and at the next election, Mr. Deputy Speaker, I have no doubt that the people of this country will choose again. Are you as an Opposition ready? That is a question I would like to ask you and all of these cardboard graphs, your walk outs, you and your non-participation. Are you ready?

When you leave this Honourable Chamber tonight, whether you drive home on the Spring Garden Road or the St. Barnabas Highway, if you do, you will pass all of these works, all that has been the fruit of the vision of this party on your way. It is not difficult to do.

If you live in St. Lucy, you will see the Arawak Cement Plant, and what has had to be said about that has been said already. If you are going to St. Peter, you will see the Heywoods project nearing completion. If you are going to St. Andrew you will see the Alleyne School virtually rebuilt, and you will see that the Scotland District Project is underway. If you go to St. Joseph, you will see extensive school expansion at the West St. Joseph School. If you live in St. Thomas, you are going to see an industrial estate and housing at Shop Hill which came into being during the past 18 months. If you live in St. James, you are going to see the Portvale Sugar Factory. If you live in St. George, you will see the new primary School at St. George and the one at Ellerton as well. If you live in St. John, there is not much for you to see, because the right honourable Leader of the Opposition made sure that whatever St. John was to get, he gave it in his time. I have no quarrel with that. If you live in St. Philip, you are going to see an industrial estate. If you

live in Christ Church, you are going to see Oistins Town. If you live in St. Michael you are going to see endless roads, clinics, schools and a whole host of other things which time will not permit me to mention now.

I can only say, Mr. Deputy Speaker, that when honourable Members look at these things and observe them, they will go home and think on those things and consider the tremendous contribution that the Barbados Labour Party Government is making to this Barbados.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Deputy Speaker, this brings us to the end of this morning's session. I beg to move that this sitting be now suspended until five minutes after 2.00.

Mr. L. L. SISNETT: I beg to second that.

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

On Resumption

Mr. DEPUTY SPEAKER: This sitting is now resumed. The honourable Member for St. Michael North will now address the Chamber.

Mr. P. M. GREAVES: Mr. Deputy Speaker, those of us who have followed the performances of the Minister of Finance (Rt. Hon. J. M. G. M. Adams) over the past seven years are not at all surprised at the heavy chunk in the order of $30 million that he has extracted from the people. Sir, this is not to mention the half of a million dollars which I had estimated had been taken from the school children of this country by way of examination fees.

But there were some of us, Sir, who had already been placed under heavy manners by what the Government called self-discipline, and, of course, by IMF directions, who were looking forward to concrete and positive proposals that would activate the economy and confidently leave it to upward momentum to produce for us, in terms of revenue, some of what we are here raising by taxation.

But the Minister of Finance is bound hand and foot to the motion that the only way to raise additional revenue is by additional taxation. That is their way, the way of taxation, and we are rejecting it completely, Mr. Deputy Speaker. It is required of a Government that has faith in the country and in themselves so to manage the economy that it allows the dynamics of the economy to provide the forward thrust.

You will therefore understand, Mr. Deputy Speaker, why I cannot share the emotion of the honourable Members, who are behaving and acting as if this was a taxation-free Budget. It is not. It is a Budget that extracts money from smokers of cigarettes, from persons using public transport, from persons travelling abroad, from persons who have sons and daughters, brothers and sisters, relatives and friends living abroad who happen to communicate with them by post, for persons who own land in this country and cannot afford to work it, from the thousands of users of sweet drinks, aerated beverages, in this country.

It is a Budget that extracts money from the wage earners by way of a Health Levy and, particularly, Mr. Deputy Speaker, from those who have been put out of work. That is the Budget that we have here; but despite all of this, Mr. Deputy Speaker, those persons who have been listening to the right honourable Prime Minister and Minister of Finance, as well as those persons on the other side who have joined in this debate, have been led to believe that Barbados' recovery is just around the corner.

There have been boasts that whereas 32 million people in the OECD countries are in need of work and cannot find it, we in Barbados have been able to maintain a relatively high level of employment. Whereas at the same time the records do show, as has been acknowledged by the Minister of Finance himself in his speech, that unemployment rose over the past year by 3 per cent, despite this rise in unemployment by 3 per cent of the working population, there have been no measures proposed in the Budget to arrest this increase of persons who seek jobs and cannot find any. There are no initiatives to stimulate the economy and to contribute to job creation for those persons who need jobs.

The private sector, Sir, have nothing to be thankful for, except, perhaps, the severance payments proposals, which I will come to later on. They have nothing to be thankful for and they can in no way assist the Government or the country in alleviating the unemployment problem that we have. And as far as the public sector is concerned, I consider that the pittance that has been offered to the public workers of this country by way of an allowance is nothing short of derisory.

What has been presented to us in the Budgetary Proposals is nothing more than a holding operation, Sir. We sit and we wait for others to recover and to drag us upwards in the process. Sir, apart from negative measures that we have experienced and have lived through over the past year or two – I refer to measures like severe credit restriction, high interest rates, which have now begun to ease, and other harsh measures – there have been no positive initiatives to stimulate the economy and development and return this country to the path of growth. You

can search this Budget from beginning to ending and you will find nothing!

The attitude of this Government is well interpreted by the Minister of Finance in his Budgetary Proposals – this wait and see attitude that I referred to a few minutes ago when he said:

> "If recovery in our major trading partners become a reality in 1983, we can be sure that we will have seen the light at the end of tunnel.....we need to continue policies of restraint and caution a little while longer, in the hope and expectation that when the upturn in the national economy comes, our institutions and productive structure, as well as our social cohesion, remains intact, so that we can once again return to the path of growth and improve our living standards which we experienced prior to 1981."

That, Sir, is the wait and see attitude of the Government.

Sir, the realities of the post-election situation demands that they call for severe restrictions, but they equally call for positive efforts, in the form of initiatives and investment strategy, as a stimulus to development and prevent further deterioration in our standards of living. But this Government has been able to develop a facility of passing off our woes as virtues.

I am not happy with the state of our national debt, which has more than trebled since this Government came to office in 1976. I take no comfort, Mr. Deputy Speaker, in the assertion that the foreign component of our national debt continues to be modest in relation to acceptable international standards. There are countries with far greater resources than Barbados which have been pursuing expansionary policies that involve increases in the national debt, and they have ended in bankruptcy.
2.15 p.m.

We have a tradition in this country as regards the borrowing of money, and by our traditions the national debt is crippling. We cannot, Sir, forever borrow our way out of problems. We have balance of payments problems and we go rushing off to the Compensatory Financing Facility of the International Monetary Fund in the dead of night.

We have done it, Sir, on three occasions. We did it twice in 1977 in the dead of night like Nicodemus, because the people of this country were not aware of the fact that in 1977, and on two other occasions, this country approached the Compensatory Financing Facility of the IMF for funds. The honourable Prime Minister vouchsafed one occasion, I believe when he addressed the annual conference of his party. He did not refer to the other occasion in 1977, and now he has approached them again. You went twice in 1977 to the Compensatory Facility and once last year to the stand-by. We suffer a decline in our foreign exchange earnings and we borrow on the International market in order to bolster our foreign reserves – and then boast that our foreign reserves are at record levels!

Sir, after listening to the right honourable Prime Minister, we have been told that the only sector that has shown real growth, and, presumably, the capacity to increase the share of foreign earnings, is the non-sugar agriculture. All other sectors contracted, yet, at the same time, our foreign reserves stand at record level. There can only be one reason why our reserves stand at that level when, in fact, everything else contracts, and the reason is that we have been borrowing more money and contracting more debt.

Mr. Deputy Speaker, when the Directors of the Fund met in December, 1981, they made a very interesting observation as regards Barbados' national debt. This is what they said:

> "In the past, Barbadian authorities have been very careful to avoid placing themselves in the position where their freedom of manoeuvre might be constrained, particularly when it came to contracting foreign debt. Also, it should be noted that while the debt service ratio was still low, the economy was extremely open, and a debt service ratio relating to gross exports, including manufacturing exports and export earnings, did not fully express the vulnerability of the country to external disturbances. If the ratio used was external debt to gross domestic product, it would be seen that the figure for Barbados was already higher than the average for non-oil Less Developed Countries as a group, and that it had risen very sharply during the past year."

Mr. DEPUTY SPEAKER: Would the honourable Member kindly inform the Chamber from what he is reading, with the necessary references?

Mr. P. M. GREAVES: Sir, it is a document of the International Monetary Fund.

Mr. DEPUTY SPEAKER: The honourable Member is well aware that he would have to inform the Chamber of the reference that he is making to the document so that it can be easily identified by its page and all such things.

Mr. P. M. GREAVES: It is page 11 of a document marked "International Monetary Fund". That is the heading. It is the minutes of the Executive Board.

Mr. DEPUTY SPEAKER: If you look at the Standing Orders, the honourable member must tell us the name of the document and such references so that the document can be easily identified – the date of publication, the page from which he is reading, etc.

Mr. P. M. GREAVES: I have just done that, Sir. I said that the top heading is "International Monetary Fund", Minutes of the Executive Board of Directors, page 11, December 18, 1981.

Implicit in this evaluation is a warning from the Fund that unless we earn what we are now seeking to borrow, we are, by solving the problem in this way, in fact adding other further problems.

Sir, when the right honourable Prime Minister referred to the temporary declining standards caused by factors outside our control, I can well visualise a smile coming across the face of the Director of Tourism, because that was the position of the Board of Tourism in relation to the declining revenues of tourism, and it was the very position that the right honourable Prime Minister himself furiously assaulted in a now famous letter. Sir, the Prime Minister said then:

> "Barbados' failure in tourism in the past few years.....

Mr. DEPUTY SPEAKER: Would the honourable Member please give us the quotation?

Mr. P. M. GREAVES: The document.....

Mr. DEPUTY SPEAKER: I do not want to interrupt the honourable Member, but the honourable Member must look at the Standing Orders and see what they say, and if you agree to comply with the Standing Orders, I think you would get on very well indeed.

Mr. P. M. GREAVES: That would not be necessary. I understand the Standing Orders very well. I do not want to waste any time and I can give the answer right here. It is a letter addressed to Mr. Patrick Hinds, Director, Board of Tourism, Reef Road, Fontabelle, St. Michael, dated February 11, 1983; a letter written on the letter-head it appears – well, it is marked "The Prime Minister," under the Coat of Arms of Barbados. It is signed J. M. G. Adams, Prime Minister.

I am only making one small reference. I am not making any reference to the "hurricane force" paragraph. I am making reference to this paragraph:

> "Barbados' failure (in tourism in the last few years) has been catastrophic.....I wish I could be convinced that you and the Board understood this factor and did not fall into fatalism in the belief that the other people and other events are causing it."

That is all I am reading.

Mr. Deputy Speaker, these strictures could very well extend and apply to the whole economy of this country. That is the point I want to make. It is facile to explain away a problem of this country as being other people's problems. This is precisely what the Prime Minister is telling the Board of Tourism. You are saying that your problems are other people's problems, and therefore you have inherited them and can do nothing about them. In fact, this, precisely, can be extended to the economy of this country, and those very words can come right back to haunt the author of them.

Sir, the official pronouncement of the Government would indicate that the Government has fallen into this fatalistic belief that the problems of this country were caused by other people and by other events. Sir, an analysis of the economy of this country will show that that is only half of the truth. We have all been affected by the international recession. There can be no gainsaying of this fact. We have all felt the squeeze, but, Sir, we have inflicted some severe wounds on ourselves.

2.25 p.m.

The Government has compounded our problems and led this country, Sir, to the brink of economic disaster by the expansionary policies in 1980 and 1981, just prior to the elections, and its flagrant disregard for prudence just in order, as it would appear, Sir, to win an election.

Sir, reference was made to this by the International Monetary Fund. This document was made a document of the House. It is the International Monetary Fund, Barbados Fund Resources, and on page 6 it says:.....

Mr. DEPUTY SPEAKER: Did you say it was made a document of the House?

Mr. P. M. GREAVES: That is what I said, Sir. It says:

> "The deterioration in Barbados' balance of Payments position after 1980 is to some extent attributable to expansionary fiscal and credit policies."

I will repeat that, Sir:

> "The deterioration in Barbados' balance of payments position after 1980"

after 1980:

> "is to some extent attributable to expansionary fiscal and credit policies."

It goes on, Sir:

> "This widening of the deficit stemmed from the continued rapid growth of current outlays, a slowdown in revenue growth, and a historically high level of capital expenditure, particularly in the first half of 1981."

"the first half of 1981", Sir.

Sir, on page 5 of the Minutes, which made some very complimentary remarks about the management, it says:

"The marked weakening in economic performance that has taken place during the past 18 months or so had been partly a consequence of the openess of the economy, but it has also been partly due to expansionary policies pursued by the authorities prior to the election in June 1981".

This confirms our assessment that the Government set the country on a course of reckless spending prior to the election of 1981, and demonstrated a callousness to the effect that it was having a devastating effect on the economy of this country.

The policies pursued by the Government in winning the election has been a bitter pill, particularly for the wage earners of this country. It is they who bear the brunt of whatever harsh measures have been imposed in order to bring back stability to this country. It is they who perform the back-breaking jobs for the upward thrust of this country. And it is ironic that whenever measures are taken in order to correct any imbalances in the economy of this country, they are the first casualties. And it appears, Sir, that all measures taken in order to correct those problems would seem to create massive unemployment.

This is not to say that there are other segments of the community that have not been affected by this. We have all felt the squeeze. But it is the people who have been laid off that are paying the price for putting this country back into equilibrium.

Sir, the loss of a job is a far greater sacrifice than a reduction of earnings or a reduction of profits. That is why I have advocated that we do need some form of incentives, we need some initiatives, to bring relief to the workers of this country so that they should not be thrown on welfare, as has been acknowledged by the right honourable Prime Minister at the opening of his speech on Wednesday. Rather, Sir, you will have to make them productive. Because how can persons who are on welfare pay increased bus fares? How can they pay increased postal rates? How can they pay the increases that will certainly follow the increases imposed by way of Stamp Duty or Customs-processed documents?

One thing that they will escape is the levy. They will not be expected to pay this levy. And one further thing is certain, Sir, that when once they are again in gainful employment, they, along with the rest of us, will bear the burden of the relief given to those nine hundred persons in the top tax bracket, because that will have to be transferred in an indirect way to other areas in order to keep the revenue at certain levels.

I turn now to the proposals dealing with those persons who qualify for severance payments, and who receive them. This is another assault on the workers of this country. There are some persons on this side who are uncertain as to what the proposals entail, but it would appear to me, Sir, that we are going to have two sets of proposals. If we are to follow the release from the Government Information Service, it would appear to me that we are going to have proposals for persons with accrued rights and we are going to have proposals for persons who have not got accrued rights.

We have severance payments for the security and protection of the workers, and if the scheme that we have here is the most generous scheme, as described by the right honourable Prime Minister, to be found anywhere in the world, then it is for the rest of the world to reach up to us. It is not for us, Sir, to level off downwards to the rest of this world. We do not want falling standards.

As a matter of fact, Sir, I well remember the Member for Christ Church West (Hon. H. deB. Forde) in a debate in this Honourable Chamber, when he was in Opposition, advocating that far from limiting the severance payment to those persons who have been made redundant, we should in fact widen the scheme to include all those persons who otherwise qualify but have left their employment; that they, too, should receive some redundancy benefits.

Sir, the way in which it is proposed, as I understand it, to deal with this severance payment matter will be a severe limitation on the workers of this country, on whose behalf employers are now making some contribution to the Severance Payment Fund.

I see Your Honour nodding indicating to me that my time is up. But before I take my seat, I just want to warn this Government that the way in which it is planning, or appears to be planning, to operate the Severance Payment Scheme is going to lead to some severe distortions. And we are going to find – I have prepared some concrete examples, which I cannot now give – that some persons with less service will obtain as much severance payments, or, in some cases, even more.

2.35 p.m.

Sir, the $30 000, $40 000 or $50 000 that these workers receive when they have been severed, and who perhaps are not able to find a job for quite some time, because no one receiving that kind of money would be at an age when they would probably be near 50, have their families, and it would be at a difficult time of their lives – that money is not even the price of a good taxi. They will need these funds for investment in order to maintain their families.

I regret that I am not able to develop this point, but I am sure that when the Government brings down the legislation on it, I will be able to speak on it at greater length.

Cheers.

Mr. DEPUTY SPEAKER: The honourable Member for St. Michael South East will now address the Chamber.

Hon. DeL. O. BRADSHAW: Mr. Deputy Speaker, I sat here and listened to contributions on the Budgetary Proposals delivered in this Honourable Chamber last Wednesday by the right honourable Prime Minister and Minister of Finance.

It was interesting to hear a comment coming from the honourable Member for St. Michael North West (Mr. L. A. Weekes), that "Budgets are preceded by apprehension and worry." This was a rather amazing statement. No wonder the manufacturers, the employers, the employees, the country as a whole was expecting some very stern measures, increased taxation, and at times they were in a state of panic.

That shows what the Democratic Labour Party's philosophy is, how they conceive their role, and how they view the people of Barbados. They feel that the people of Barbados do not fully understand what Budgets are for, and they tend to underestimate the capacity of the Barbadian public to know and to understand what this country needs to move it forward, and what remedies the Minister of Finance must initiate in order to move this country forward.

It is not strange to hear those remarks, and not strange to see people gather outside of this Honourable Chamber, within the compound of this Honourable Assembly, just before the Budget expressing alarm, rather confused, with despairing faces, because of the mouthings and the preachings of the Democratic Labour Party night after night from their platforms. Some people have become extremely gullible and are prepared to accept things which they hear from people who are in high positions, and to whom they look forward to hearing things which tend to be based on fact and truth. So frustration on the faces of people outside of this Chamber can be readily understood.

When you hear from the platforms of the Opposition things like devaluation, revaluation, as well as IMF and all these different things, people must begin to wonder, and have begun to wonder, what was going on. But thank God, on Wednesday the right honourable Prime Minister set those fears to rest. He delivered what was described by an old lady this morning as "a very great relief". If I may quote, and I crave Your Honour's indulgence, she did say to me: "That budget was real good, the Prime Minister following in de footsteps of he great father. Thank God fuh he." Those were the remarks of an old age pensioner, because she had seen in the Budgetary Proposals things which meant relief to her, and she felt that she ought to say those things loud and clear, and I am sure that what she said are the views of a number of persons within this community.

I am sure that the people have realised by now that the lie has been given to the mouthings of the Democratic Labour Party. They no longer trust them, because they realise that this country is not in a state of disarray and that the economy is well and ably managed, and the people are now seeing and realising that in the Minister of Finance, they have an able and very prudent manager.

Mr. Deputy Speaker, I will address myself to the Budgetary Proposals and seek at the same time to clarify a number of issues, in particular the issue relating to the severance payment. To begin with, the public of Barbados, and in particular those people who are regarded as poor and who find themselves in a less fortunate position than most of us, are satisfied to know that the Prime Minister had announced that there was going to be a reduction in the price of kerosene. For after all, kerosene is used by the very poor people, old age pensioners and families who are not so well off, the very poor families.

Those families at times cannot afford to obtain bottled gas or natural gas for several reasons, the location of their houses and the problem of getting transportation to transport the bottle cylinders. But those persons are happy, because over the years they have grown to expect that on Budget Day the price of kerosene will once again be moving upward in price, but on this occasion we have seen a considerable reduction in the price of kerosene, and I am one who feel that it has redound to the benefit of the people who need the relief most.

I will go on further to mention that the honourable Prime Minister has reduced, or will cause to be reduced, the price of falernum. Some of us, because we drink whiskey, brandy, gin and such top-notch drinks, fail to remember those poor persons, especially the older persons in our society, who have grown accustomed to drinking falernum at Christmas time and festive seasons, and the reduction of the price of falernum is very much welcome by those poor persons. That is a step in the right direction, because we have heard the Opposition saying that there was no relief, but if that does not mean relief, then I do not know what the word "relief" means.

On the question of removing the surcharge on fuel itself, Mr. Deputy Speaker, this is a major relief not only to poor persons, but it has been expanded to include all the consumers, some 67 000 householders stand to benefit from this reduction of the surcharge on fuel. They

stand to benefit because they will see a reduction in their electric bills, and I am sure that they will welcome, on my behalf, my saying to the Prime Minister, "thank you for such a relief."
2.45 p.m.

The tax debate is also very much welcome. Despite the feeble arguments put up by the Opposition over the past year or so, people have been getting tax concessions over the past years under this Administration. They have been getting certain credit which will mean that some of them, in most cases, rather than paying tax have been given a refund. By announcing further tax credits in this Budget, the Prime Minister is making it possible once again for some 12 000-odd people to benefit. That is a Minister of Finance who is conscious of what it means to relieve the hardships – which were not incurred under this Administration but incurred through the maladministration of the Democratic Labour Party, because they felt that every year, at Budget time, there should be further imposition on the people.

We can be satisfied today that we have made it easier and have been able to grant relief to people at a time when people have been led to believe that increases were not even possible, and that we would have to cut back on the social services in this country. But, of course, Mr. Deputy Speaker, those were the pontifications of the members of the Opposition, not right-thinking Barbadians but there is a saying that "every chicken will come home to roost."

They are now faced with a situation where they are embarrassed, confused and disillusioned, somewhat surprised, and startled to hear and to see the Budget. I am telling you, Mr. Deputy Speaker, that I doubt very much that they could have believed their ears to hear that the Minister of Finance would have been able to raise a mere $17 million and the brunt of it would not be on the poor people of this country.

Mr. Deputy Speaker, there are other measures which need to be mentioned, and they deserve special mention at this point in time. Just before the Budget, some of the car dealers in Barbados had motor cars at the Port or tucked away in their garages. But persons who approached some of these garages with the intention of purchasing a car were told to wait for another shipment. It was because of the confusion and the misleading done by the Democratic Labour Party that some of them thought that the prices of motor cars would have been increased, and they were anticipating this.

But the Prime Minister did not grant them their wish, and that is why the Opposition are now wagging their tails. They are not to be trusted, they are now seen for what they really are. Those persons, maybe, could have got a sale at the then price, but now they will have to be satisfied with the reduction in the range of $3 000 to $4 000 on some of the cars. And persons who purchase cars within the $16 000 or $20 000 bracket are persons around the middle income bracket, and they welcome this.

I have heard much talk about the severance payments. During the Budgetary Proposals the Prime Minister did make mention of this particular area, and it seems very clear to me, and to most of my colleagues, and to the country, that the Opposition does not really understand what the Budgetary Proposals as they relate to the severance payments mean.

The honourable Member for St. Michael South Central (Dr. R. C. Haynes) got up and he quoted some figures and I am going to go through that very slowly when I come to it. The honourable Member for St. Philip South (Mr. H. A. Blackman), led blindly into the subject, knowing absolutely nothing about it, without having a clue about severance payment, got himself trapped.

Now I spent a couple of years teaching. I may be a little rusty, Mr. Deputy Speaker, – and I had some hard-headed children too – but I think on this occasion I may be able to get through to some of those whose heads are not so very hard, but hardly noticeably.

The honourable Member for St. Michael South Central who, poses as the Shadow Minister of Finance, got up and said he would like an explanation. I am not going to leave this task for the honourable Minister of Finance. I am going to do it for him because I do not think that the honourable Prime Minister, as a real economist, has any right replying to him. Let me take him on.

Asides.

Hon. DeL. O. BRADSHAW: I am not an economist, neither is the honourable Member; so let me take him on.

He mentioned that a person working for $400 a week would, if severed after 20 years, receive $32 000. That is correct. He wants to know if 30 per cent is the tax paid on $32 000. The answer is, "No". What the Prime Minister did say in his Budgetary Proposals is that for the first $25 000, there shall be no tax. So if you accrued severance payment to the tune of $32 000, $25 000 from $32 000 leaves $7 000, and if you are going to pay 30 per cent, as is now will be the case, you will pay 30 per cent of $7 000. That works out to $2 100, so you would be left with $4 000. In other words, a severed person, assuming we are using the figure of $32 000, will be getting $25 000 plus $4 900 which is $29 900.
2.55 p.m.

This is what happens, Mr. Deputy Speaker. If the man or the severed person does not work for a year, that person gets a rebate of 100 per cent; the $2 100 goes back in his hands. In other words, if a man does not work for a year after being severed, no tax is paid and he has $32 000. You see, the honourable Members over there are confused; they cannot understand up to now.

There is another point, Mr. Deputy Speaker. Severance payment is a fund to which the employers and the employers alone contribute. The employees do not make any contribution. The honourable Members initiated the legislation in 1971. It was passed under their administration, but they did not understand the consequences. No wonder they had to get up in here today and try to waffle!

They are confused and they are asking for an explanation. It means that when the employer pays out the severance payment, he appeals to the National Insurance Board for a rebate. This is what honourable Members must remember. When the fund was first started, they allowed the employers a rebate of 50 per cent. That rebate, Mr. Deputy Speaker, is 50 per cent of whatever money was paid out as severance. We, in 1979, reduced that 50 per cent to 10 per cent because we felt that, among other things, it should be a disincentive to the employers, that they should not be encouraged to sever people.

Now I cannot understand them, and people who support them on this occasion, when they quarrel and say that we are now offering an incentive to the employers, when we took a decision at Cabinet level to increase the rebate from 10 per cent to 25 per cent. If they are accusing us in this Honourable Chamber, and outside, of encouraging redundancy and severance, I want to know if they do not understand that the people know that when they had the rebate at 50 per cent, they were twice times guilty. But I am not going to say they were guilty because I do not believe that; we understand the very ideas behind it. We realise that if the rebate was paid, the employer would be able to get back some money to put into circulation in his business.

I am going to lay this particular fear to rest. No one earning up to a maximum of $25 000 needs to fear. There will not be one cent in tax. He will get the whole hog in Barbadian language. There is no tax whatsoever on that $25 000.

We have carried out a survey. We do not operate on an ad hoc basis. We do not take decisions at Cabinet level like the way they used to take them. We have in depth studies and base our findings on statistical information, and we obtain that information from the National Insurance Office. It showed clearly that over 90 per cent of the workers in Barbados did not receive in excess of $25 000. There are very few people; there are just about 20 cases, where people have got in excess of $25 000 up to a year ago.

Asides.

Hon. DeL. O. BRADSHAW: I do not mind the honourable Member. I will say this: I wanted to treat the honourable Member for St. Philip South decently today, because you should have known better when you got up and made your contribution. You, as an employee, knowing that if you were severed would get more than $25 000, should have had the moral decency to get up and tell the Deputy Speaker, or declare your interest. I told you I would have spared you, but since you had the audacity and unmitigated gall to stay over there and gesticulate that I was saying something wrong, I will have to let you know what really goes on. You had a moral duty to declare your interest rather than put a special plea on your behalf.

Mr. Deputy Speaker, I had to make this position abundantly clear because I am aware of the confusion that that Opppsition has caused over severance payment. They would not tell anybody that we are looking at the Severance Payment Act, which some lawyers in Barbados cannot even understand. It is cumbersome. Even some of the judgements in the courts, Mr. Deputy Speaker, have got some of them astonished, resulting in a lot of appeals. What we are trying to do is to simplify it so that the average person can read it and understand; we are putting it in more simple language so that it can be interpreted a little easier.

What are they quarrelling about? We feel that unfair dismissals need to be reviewed so that persons will not be severed quite so easily, and we are looking at that as another amendment. I would not want to go into the proposed amendments now, because they do not form part of the Budgetary Proposals, I want to touch on another point.

The honourable Member for St. Michael South Central asked, "What do you have to show for the $2 billion that were collected." I represent St. Michael South East, and I can tell the people in St. Michael South East – Haggatt Hall, Pinelands, Parkinson Field, Wildey, Clapham – what they can see up there, and the country is free to come up and view what is happening. The Wildey/St. Barnabas Road, which stretches from Cable and Wireless right over to Wonder Bakery, is a classic example. It is there for the whole country to see. This morning I was there and they said "Mr. representative, your Government does not need to prove anything; it is right here on our door steps."

Mr. Deputy Speaker, I know that I am close to home, but I just want honourable Members to under-

stand that the polyclinic in Wildey, the Samuel Jackman Prescod Polytechnic, the school extension to Parkinson, the Pine/Wildey new school, all these works are in St. Michael South East and the people can see them. They have no fear. They know that we do not operate on impressions, we give them the facts.

Thank you, Mr. Deputy Speaker.

Mr. W. O. FRANKLIN (St. Philip North): Mr. Deputy Speaker, this is an occasion when members of the Opposition have to examine the Proposals by the honourable Prime Minister, and in examining these Proposals seek to forecast the direction in which Barbados is likely to go in the next couple of years. This Budget, Mr. Deputy Speaker, is not a Budget that one can speak very much on, so I am going to look at it very quickly, and quickly get into the area that I am a little surprised about, Mr. Deputy Speaker, and it is what the Budget does not do or does not say.

Let me at the outset, Mr. Deputy Speaker, as is required by this House declare an interest in an area that I am going to discuss. I am charged with the responsibility of shadowing the Ministry of Housing and Lands, and by way of job relation, I am connected with a company or companies that deal in this area; so as required by this House, let me declare an interest, if that is an interest.
3.05 p.m.

When I have a look, Mr. Deputy Speaker, at this Budget, in the summary pages quickly, because it is not going to take me more than two minutes to get out of this, what do we see by way of relief? At (4), I see:

> "Limit at which higher rate of Consumption Tax applies to motor cars....."

I sought, Mr. Deputy Speaker, to find out what this means to the man in the street. First of all, it would mean that he would be able to afford a Datsun 200L, or a Stanza air-conditioned, or a Toyota Cressida, or one of the cars that would normally market between $32 000 and $40 000. So I can pass over that very quickly, because there are not very many people in my constituency that this would affect.

Mr. Deputy Speaker, that concerns the people in the upper ranks, who can afford those cars. I would only comment that in a time of restraint, I am wondering, if you are going to give concessions, if they could not have been more sensitive areas, areas more attached to the lives of the people in the street, than relating to cars that cost between $32 000 and $40 000.

Mr. Deputy Speaker, I note that Consumption Tax is now to be moved from the shingles, and I am sure, if by nothing else, that this has demonstrated to me quite forcibly that the right honourable Prime Minister has completely lost touch with what happens at that socio-economic level.

Yesterday morning, after this was announced, on my way from home – via Church Village, Ebenezer, Windsor Road, Boarded Hall, Watts Village, Two Mile Hill, Tweedside Road and Roebuck Street into Harrison College – I saw fourteen houses with shingles. And of those fourteen, three of them were derelict houses that no one would occupy. That was on the main road.

I did something further. I drove through Carrington Village, Mr. Deputy Speaker, from the bottom of Government Hill, into a street, and I saw three. Then I came down, Mr. Deputy Speaker, and I took my van and I went down to the St. James cost, starting from Holetown. I saw all the houses on the Sandy Lane complex, two or three of the hotels, with over $20 million in physical assets, all of the $400 000-plus houses inland from Sandy Lane, and those are the buildings and homes with shingles on them.

I heard the Member from St. Lucy (Mr. R. E. Brathwaite) say that the people in St. Lucy are using shingles. A bundle of shingles costs $45.40. It covers not more than 20 square feet which is about two dollars and something cents per square foot, then you have to find a carpenter to put it on, Mr. Deputy Speaker. Which poor old person could afford shingles?

Mr. Deputy Speaker, I would have much preferred to see something done in relation to galvanise. If you took the trade statistics, anybody who is in touch with the masses would know that it is a sheet of galvanise that an old lady or an old man would ask you to buy in town. They will not ask you to buy a bundle of shingles, Mr. Deputy Speaker that is a fact! And that brings me home very forcibly to the fact that he has lost contact completely.

I will read something a little later, and I will refer the Prime Minister to the Barbados Economic Report. Do you know why I want to refer him to that, Mr. Deputy Speaker? I sought in vain to find something on housing besides the removal of the tax on shingles, and I came right down to page 52, when he was summing up under "General Economic Situation" which reads:

> "Mr. Speaker, this afternoon I have dealt rather more in financial than economic measures. But these have been times when survival rather than development has been the issue."

We are surviving, Mr. Deputy Speaker, but we can release people that can afford cars between $32 000 and

$40 000. Four thousand dollars on any car that they can buy, and these are the times for surviving!

"As explained earlier, the Government has had to pursue tight, monetary, fiscal, and credit policies. But whilst all recognise that these conditions can only be eased by significant recovery in the world economy, this is not to imply that nothing can be done in the meantime to mobilise additional resources and stimulate the productive sectors of the economy.

"Indeed, Government has formulated effective short and medium term programmes for assisting both households and businesses to gain access to credit and other resources for productive purposes, and so maintain income and employment levels.

"In housing, in industry, in highway construction and transport improvement we have laid a solid foundation in the past 18 months for further takeoff."

Not being privy to the Cabinet's inside secrets, I will only be able to turn to the Barbados Economic Report, 1982, to see what were these solid foundations in the housing sector that have been laid for takeoff. And in the Barbados Economic Report, 1982, at page 44, Chapter VIII under housing, it says:

> "The data revealed that there was a significant decline of 27.9% in the number of dwelling units started, while the number of dwellings completed in 1982 rose by 29.6% or 286 units over the 1981 figure of 967 units. Hence, based on the data presented in the table regarding dwelling completions, along with a survey of building completions from private contractors and the Town and Country Planning Department, it is safe to estimate that approximately 1 250 – 1 300 housing units were completed during 1982. Since many persons start to build houses without completing Town Planning formalities or applying for water for building purposes, the data in Table 8 – 1 relating to starts represent a considerable under-estimate, but is valuable for indicating trends.
>
> "As in the previous year, the public sector's contribution to housing activity dropped during 1982. The National Housing Corporation contributed 102 units ....."

a far cry from the thousand units planned and promised in their Manifesto.

> "....18 less than in 1981, to the housing stock. Housing projects at Lammings and Maynards virtually came to a halt in the light of financial constraints, while at St. Cecilia, where 68 units were under construction, progress was slow. At year end, approximately 49 units were under construction at West Terrace and 46 units at the Ivy and Bonnetts were still to be completed."

Losses to Housing Stock

I particularly draw this section to the notice of the right honourable Prime Minister, because it has a direct tie-in with encouraging those old ladies to go back using wooden shingles

> "During 1982, the Barbados Fire Department responded to 185 house fire calls involving 211 houses, 12% higher than the 164 which obtained for 1981."

3.15 p.m.

It is a tragedy that we have been facing in Barbados, that a lot of these house fires, unfortunately, have been taking the lives of old people in Barbados, and it is a well known fact that the serious danger in a fire is the collapsing of your roof. Therefore, Mr. Prime Minister, please do not encourage our old people to go back to wooden shingles, one of the best conductors of fire in this country. Let them remain with their galvanise.

It is also a known fact that the insurance industry places a considerable increase in premiums on houses that have wooden shingles. Therefore, let the wooden shingles remain on the upper class houses on the west coast, but leave the Consumption Tax on them, because I would suggest a better use that could have been made of the Consumption Tax.

As usual, I do not need to spend a lot more time on the Budget, because it does not contain anything, in my opinion, that advances the housing stock in Barbados. On a previous occasion in this House, it was agreed by both sides in this Parliament that the number one priority in Barbados now is housing, and I therefore was terrifically shocked when I saw nothing in this budget to start us on the road of correcting the number one priority.

There is a very close connection between the ownership of property in Barbados and the spinoff to this community. The pride of ownership of property in Barbados, which allows everyone to have a little piece of this soil, goes a long way toward safeguarding democracy in this country, because everybody that owns a little piece of this country would be the first person to make sure that democracy prevails to protect what they own. The pride of ownership in this country goes a far way in patterning the behaviourial standards of the people. It goes a far way in determining the healthy environment under which our people of Barbados would be brought up. It goes a far way in having contented people, enjoying what they believe is their right to enjoy, the ownership of a property in Barbados. But this Budget does absolutely nothing to show us where this Government is going in relation to housing.

Let us have a look at the problems, Mr. Deputy Speaker, of the working class in Barbados. Our working class people have two problems. They have a problem of

security of tenure when they are not land owners, and they have a problem of credit to enable them to put on the land what they would have.

For a considerable time now, the chattel mortgage programme has been introduced and passed in Barbados, and up to this day, April 29, not one single chattel mortgage has been granted in Barbados. The chattel mortgage programme was intended to allow the hundreds of thousands of people in Barbados, who are not in a position to build solid concrete block houses, who must reluctantly stay with the wood – the poor quality soft woods that are now being brought in here, some of it being untreated – to be able to go to the bank and say, "I need $5 000 to put on a wall back to my house. I need $5 000 to allow my little boy or girl, who is now at Harrison College, to be able to have a bath on mornings inside his house." That was the real reason behind the chattel mortgage, and it is a crying shame that not one single mortgage under that scheme has been granted up to this moment in time. I will invite the honourable Minister to tell me if that is true. I would be very happy if he could tell me that.

In that area, the problem of credit is associated with three things. One, as I said, lack of security of tenure – they do not have any paper to carry to the bank; two, in most cases, the fact that the jobs they are holding are jobs that they are moving forward fairly rapidly; and three, the fact that the commercial banks in Barbados have been reluctant to lend money on wooden houses throughout the past couple of years.

Do you know what I would have liked to see done with that money that you took away by removing the Consumption Tax on shingles? It is my personal belief that that Consumption Tax money that is now being removed from shingles, together with some of the net profits from the insurance companies in their property portfolio, should be used to fund a credit guarantee scheme, administered by one of the agencies of Government, to allow these little people to go at any store and get materials in order to repair their houses. That is what I would have perferred to have seen done with that, because you cannot have this wide difference in the standard of housing in a country if you are going to have peace and social security for all of us.

It is a known fact that because of the social mobility of the Barbados population, because of the fact that the children from all strata of society are now sitting down side by side, it puts additional pressures on the fathers and mothers of the little children who are forced, because of their social position, to enjoy a standard of housing inferior to that which some others can now enjoy. And it is going to be my personal campaign to make sure that housing at that stratum, the working class, is improved. And that is why I was saddened when, in a recent debate, the new Minister of Housing found it necessary to refer to the fact that the National Housing Corporation Board is now not constituted to function for the present to meet the demands of the housing of the people in Barbados, because it is this National Housing Corporation sector that needs to administer the public housing sector to take care of that particular stratum of our society we are talking about.

In order to bring about the security of tenure that I talked about earlier, they need to provide adequate sites and services and pass them on not as tenants, but in the fee simple. They need to get that chattel mortgage programme going. They need to provide, and this is where the Consumption Tax could come on, the environment that would allow all of the people to build their internal bathrooms. So you could take your Consumption Tax off toilet ware and wash basins so that the little carpenter and mason would be able to get these a little cheaper when they go to buy them to put inside their bathrooms. I am certain that there would be a lot more contentment in this country if that was done, rather than taking the tax off shingles, and the social spin-off would be a lot more pleasing to people.
3.25 p.m.

There is need for the National Housing Corporation to make sure that those people who are now tenants of the National Housing Corporation perform their moral obligations to be good tenants, that is paying their rents in exchange for which the National Housing Corporation would maintain those houses in good order. I also want to see the policy of the selling of the individual units continued. And I was very pleased when the Deputy Prime Minister (Hon. H. B. St. John) mentioned that there is a likelihood that we will be getting some hardwood from Guyana in exchange for some of the funds that they now owe us, because that is a step in the right direction for us.

Yesterday in this Parliament I heard the honourable Member for St. George North (Mr. J. G. Odle) make a special plea for the middle class. I want to join him in that special plea because we are destroying the housing sector and the housing capacity of this middle class. I am not making a plea for the middle class because it is the middle class, but because it is important.

The middle class of Barbados is a symbol of the social mobility of the working class, which mobility was brought about by an improvement in your educational standards by this Democratic Labour Party. The middle class of Barbados provides the decision-making for the Government. The middle class of Barbados provides the people who leave this country at some time or the other.

Most of us in here are the products of that social mobility of the working class to where we are, maybe

with the exception of the honourable Prime Minister and the Deputy Prime Minister, who were always from the landed class. We are products of that upward mobility, and if you destroy this middle class, you will be destroying the hope of the middle class for movement.

In every working class home, the reason why parents have always insisted that their son or daughter must do better than they have done, the reason why they always make such a tremendous sacrifice to have their children better educated, was that they believed that there is this mobility. Every single family in Barbados can look at a member of that family who has passed that gap from the working class to the middle class, and look with pride to the day when more of them could make the passage along this upward road; so we should not destroy the middle class.

But we are destroying the middle-class by making it almost impossible for them now to maintain the same standard of housing that they were accustomed to over the last couple of years. We have to do something for them. We have to go back providing 90 per cent mortgages for them, we have to get the mortgage period extended to 35 years and, most important, you have to have a mortgage policy of a fixed interest rate.

You cannot allow your interest on mortgages to fluctuate at the whims and fancies of anybody, be it the Minister of Finance or anybody else, because a family budgets for their mortgage capability. They take into consideration the rate that they are now paying; and for that family to wake up and two days after to find a 2 per cent point interest increase, which could mean, in a lot of their cases, another $80 or $90 added to their monthly mortgage payments, that will destroy their ability to handle their fiancial affairs.

I would suggest that the honourable Prime Minister consider a release of Property Tax for the first five years of any life of a property for first time owners in Barbados. You can release them for the first five years because it is during this period that they are now trying to gather their hands again. The savings that they have are plowed into the property and they have no savings in case of emergency. You can allow them to be in that situation.

You can allow them to continue to take their insurance premiums off their Income Tax deductions. You want to go back to that. You must not limit any allowances for repairs, because when a householder is repairing his house, he is employing a Barbadian. He is an employer. He is providing work and he is also paying taxes, because the materials he buys have on the Consumption Tax, which goes to the Treasury. So you can therefore allow him to maintain his house properly, because if you allow the house to deteriorate, he cannot repair it when it becomes too expensive.

Sometime ago, in the Other Place, I drew the problems that we were having with bridging finance to their attention, and I was told that bridging finance being classified as personal loans was an international classification, so you could not change it.

In my opinion, that is nonsense, because under the present mortgage structure, where most of the lending institutions only put out mortgages on completion, how do you expect the people to get money to build and to have completion? You must be able to make a start before you can complete. Therefore, you must remove bridging finance from personal lending and free it up. You must encourage the insurance companies in this country, which have been deriving all of their income from the premium dollars in this country, to plow back more into the mortgage programme.

Mr. Deputy Speaker, my biggest disappointment is in the area of housing which the Government itself has admitted is the area of most pressing need in Barbados. There are absolutely no initiatives in this Budget to start the ball rolling again, to put the hammers back into the hands of the carpenters, to put jobs back into the hands of the masons and let us build.

Thank you.

Mr. DEPUTY SPEAKER: The honourable Member for St. Michael North East will now address the Chair.

Mr. L. L. SISNETT: Mr. Deputy Speaker, over the past two days we have been discussing the Budgetary Proposals as was presented by the Prime Minister of the country, as is expected of him every year. The people of Barbados have waited patiently to see what the economy of this country has been doing against the economic conditions.

The Opposition has made numerous accusations concerning the Proposals which were given by the Prime Minister. We were told, among other things, that the Budget is an insult to the nation. We were told that the economy is in shambles. We have further been told of evidence of widespread corruption. We heard charges and accusations about wastage of money on defence and security. We were told of a serious contraction of work in Barbados. We were reminded that tourism is in a state of chaos and the society is seeing the effects of drugs, gambling and crime. We were told that there is wastage of public funds; we were further told that the public debt is over $1 billion. Mention was made of the political directorate being divided, at the top, in the middle and at the bottom. The Prime Minister has been accused of not

being able to respond to the crisis. Government, we were told, was not only financially insolvent, but also intellectually bankrupt. Accuastions upon accusations were made against the Government about going to the International Monetary Fund. We were told that the International Monetary Fund is a bad institution to deal with and that Barbados had no right being involved, no matter what, in the International Monetary Fund. We were told that Barbados had found itself dealing with an infamous institution and that we were caught in a debt trap.
3.35 p.m.

I have listened to all the arguments advanced on the other side as to the mistakes which the Government has made over the past years in administering the affairs of this country. Criticism upon criticism has been levelled, and Mr. Deputy Speaker, I am yet to hear any sensible alternative from the Opposition as to what they would do had they been the directorate of this country at this point in time.

Let us deal briefly with the International Monetary Fund. As far as the people of Barbados are concerned, it is my impression that this is no issue. But before you can deal with the International Monetary Fund and Barbados' involvement, let me ask a straightforward, simple, down-to-earth, searching question. As an infamous institution, how did Barbados get involved in the International Monetary Fund? I am told that Barbados became a member of this infamous institution thirteen years ago. Now if the people of Barbados are thinking, you will realise, Mr. Deputy Speaker, and they would certainly understand and appreciate, that Barbados entered an arrangement with the IMF under the astute leadership of the now Leader of the Opposition, the right honourable Member for St. John (Rt. Hon. E. W. Barrow), former Prime Minister of Barbados.

Rt. Hon. E. W. BARROW (St. John): On a point of order, Mr. Deputy Speaker, I have sat through these proceedings very patiently and with a great amount of restraint. When the honourable Member says, quoting me, that I entered into an arrangement with the International Monetary Fund, it is completely and utterly untrue. At no stage .....

Mr. DEPUTY SPEAKER: That is no point of order. The honourable Member will have ample opportunity to put his side of the story during these proceedings.

Rt. Hon. E. W. BARROW: If the honourable Member tells a deliberate untruth, I believe I have to correct it.

Mr. DEPUTY SPEAKER: I understand the honourable Member's feeling.

Rt. Hon. E. W. BARROW: He does not really understand .....

Mr. DEPUTY SPEAKER: But a point of order relates to something completely different. The honourable Member will have ample opportunity, during the course of the debate to put his side of the picture to the Chamber. The honourable Member may continue.

Mr. L. L. SISNETT: Mr. Deputy Speaker, I would not certainly want to go on record as having attributed anything to the right honourable Leader of the Opposition without giving him a chance to clarify it, but my understanding is that Barbados became a member of the IMF under his administration, and he was totally responsible for the Government.

At that point in time, it was fit, it was proper, it was dignified, it was upright for the Barbados Government to join the International Monetary Fund. Why, I ask, Mr. Deputy Speaker? For what purpose did the honourable former Prime Minister see it fit at that point in time to place Barbados in an infamous institution?

I sometimes wonder why all the clowns you see around are not in a circus. Yesterday we were told that the Opposition knew that they were going to lose the Government and that is why they joined the International Monetary Fund, so that we would use its services. The honourable Member for St. Philip South (Mr. H. A. Blackman) made those remarks.

Barbados, I believe, has become a signatory to many international bodies, Mr. Deputy Speaker, and I would assume that if we join a club, at some point in time we would want to use the facilities of that club. The International Monetary Fund performs the same functions for countries which commercial banks perform for private citizens. If you go to a bank to obtain a loan, that bank would have its criteria for advancing any funds. Hence, the IMF is right in its decision to make sure that any country which wants to use its facilities, for which it is paying, would also be in a position to qualify. I do not see, as far as the people of Barbados are concerned, what issue there is about the IMF. As far as I am concerned, there is no issue. We became a member, we contributed funds, so we are expected to take part of a share of whatever it has to offer.

It was said that the Budget is an insult to the nation. What seems not to be appreciated by the Opposition, Mr. Deputy Speaker, but I hope that the electorate of Barbados would be better informed than they are about what is happening in the world, is that we are still in the grips of the worst recession the world has ever seen. That is a fact. If by the performance of the Government it does not appear to the people of Barbados that we are in recessionary times, it can only be attributed to the skillful leadership of the right honourable Prime Minister.
3.45 p.m.

We are in recession. Every day we hear about business failures in the world. We are told that there are over 32 million people unemployed in Europe, in Canada, 1.6 million; in the United States, 11 million; in Barbados, a few thousand people. Am I to understand that what takes place in the broader international economy would by-pass Barbados in any event? Am I to understand that what is happening in the United States and in Canada and Europe would have no effect on what takes place here in Barbados?

But if our people continue to thrive and see a measure of prosperity, continue to see massive infrastructure roadworks being undertaken, such as in Wildey, the Spring Garden Road, at Oistins and also in the north of the country, and they do not understand that it takes prudent, financial management to keep these systems going for the total development of Barbados, I am at a loss, Mr. Deputy Speaker, to really understand if they realise that the Government is trying its best to maintain these systems in order to keep people in work. It is not easy, at a point in time like this. It is rather difficult to find work. Barbadians must realise that they are a part of the world and it is only fair to expect that we bear a part of the hardship which other people are experiencing throughout the world.

Mr. Pierre Trudeau, the Canadian Prime Minister, described the Canadian economy for 1982 as the worst Canadians had ever experienced since the great depression of the 1930s. The Canadian recession has been termed the sharpest, most prolonged ever experienced by that country. We derive a lot of our tourism from Canada and our tourism figures from Canada over the past year showed a remarkable decrease. If Canadians are finding it difficult to find money, Sir, they certainly cannot travel.

In tourism, accusations have also been raised against the Government that there is a lot of foreign input into the hotel sector, and that there has been no upward mobility in that sector over the past two years. That is most untrue.

To the contrary, Sir, the Barbados Government has been working very closely with the University of the West Indies in the Bahamas to provide executive hotel management training, to ensure that top management in the hotels would eventually fall into the hands of Barbadians.

As of today, two graduates from the University of the West Indies' School of Hotel Management in the Bahamas have returned to Barbados and have taken up positions at the Community College, where they are imparting their training to other Barbadians.

We have heard that there is very little top management among Barbadians. That is not a fact, Mr. Deputy Speaker. The problem is that some of these graduates return with a perception that they must begin at the top, whereas it is accepted in most hotel circles that they must start at least at the middle rung of the ladder and make their way to the top. That is one of the problems which we are experiencing. In addition to that, some hotels have their own internal system of promotion. They recruit from within the same hotel, and some Barbadians are not willing to accept that accepted standard. The international chains, such as Marriott's and Hilton, usually work on the exchange system whereby management from other countries work into various hotels on an exchange basis.

Notwithstanding this, Mr. Deputy Speaker, it is very true to say that most hotel managers are Barbadians. In addition there are many Trainee Managers, Front Office Managers and Executive Chefs who have worked their way up from the bottom to top positions within the hotel industry in Barbados. Evidence of this can be found at the Sandy Lane Hotel, which the representative for St. James South (Mr. N. K. Simmons) said he has intimate knowledge of. But he is not aware that these positions really exist there.

Further accusations, false as they are, have been levelled at Heywoods. It is false, utterly false, to say that the Heywoods Project will have a cost overrun of $30 million. The honourable Member for St. James South said that. It is also false to say that the Heywoods complex will not be completed until next year. There is no truth in that. The fact is that Heywoods would be open for the 1983 Winter Season. The only way it will not be opened is if it is demolished by the hands of the Opposition or sabotaged.

It was also said, Mr. Deputy Speaker, that Barbadians were not given a chance to operate the Heywoods Holiday Village. The Ministry of Tourism, the Minister of Tourism and the Heywoods Investment Corporation explored all the chances, the possibilities for Barbados' participation in the Heywoods project. We have met and we have discussed it time in and time out, but the point that we should be aware of is that tourism has taken a decline in the country, and I believe those local persons were a little sceptical about the viability of the project. But what are we supposed to do? Should we have waited until we found the right local managerial expertise to run this complex? We had options and we utilised our options.

3.55 p.m.

Barbadians will be employed and Heywoods is not going to be the white elephant that the Opposition is hoping it will be. Heywoods, Mr. Deputy Speaker, belongs to Barbadians. I thought the Tourism Investment Corporation had a right to make sure that, come what may, it is put in the hands of capable management who

would bring bodies into beds. If we had not taken a decision, we would have been further criticised.

I want to speak about attitudes in tourism; why, perhaps, we are not doing as well as we were used to doing in tourism. Barbados has the finest tourism infrastructure perhaps any part of the world, and what others are trying to achieve, we already have. We have a good hotel plant. The recession has given tourists an option. They are looking for value for their money. Barbados cannot again boast of being the only place with sea, surf, sand and sunshine. There are many other places which offer these amenities.

We have fallen off in tourism, Mr. Deputy Speaker, mainly because of the negative attitudes in the business. There has been complaints about prices being too high. The fact is that prices in some instances are too high, visitors are not willing to give the reasons or otherwise, so they use an alternative, they find another destination. While some countries are blessed with being in close proximity to the main tourist market in North America, we are at a little disadvantage, geographically located in this part of the Caribbean, but I feel that if we are to regain the market which we have lost, we will have to have an overall look at what we really have to offer.

Why should someone come to Barbados in preference of going to Haiti, Jamaica, Costa Rica or Mexico? What do we have to offer? Are we honestly offering value for money? Should a soft drink be sold for $4.00? Is that what the visitor is willing to accept? Are we going to continue to think that the service in the hotel industry should be sloppy and slow, and the manners of the workers continue to leave a lot to be desired?

Tourism is about hospitality, and, basically speaking, if you treat a guest to Barbados with courtesy without being subservient, that guest will long remember what he has received. But the situation is you have high prices for rooms, high costs for meals and bad attitudes by the workers, which is a disincentive for anyone to come back to this country.

Mr. Deputy Speaker, I do not honestly believe that the Ministry of Finance can supply enough money to the Board of Tourism that would turn around the influx of visitors to this country without the people of Barbados doing something about their attitudes. The Board of Tourism is having $11 million this year for its activities. If they were having $100 million, I do not think that dissatisfied people who came to Barbados last year are going to come back to the same situation, to be insulted and treated badly by the Barbadian people. We must have a complete turn around in the attitudes in the hospitality industry, and it is as basic as that.

We do not need to spend much more than what is given for promotion. Last year we had a maximum of 305 000 visitors to Barbados, which was about a 13% decline. To stress my point, Mr. Deputy Speaker, if we had sent away 305 000 satisfied visitors from Barbados by their word of mouth to their friends and their families about the good experience, the genuine hospitality they met in Barbados, we would not have to go to the advertising media to sell our country; we just would not have to do it. It is by word of mouth that you make your sale.

If people are genuinely satisfied that they had a remarkably good time and they were treated with royalty in Barbados, they, then, are our greatest ambassadors. They would sell Barbados. Barbados is small, and because it is small, we do not have to go in for that high-powered advertising as Mexico, Jamaica, Hawaii and those other countries. It is as simple as that. The taxi men, Customs, Immigration, hotel workers, hoteliers, they have all got to combine, as well as the church, the social clubs, the Opposition, the Government to make tourism work.

Finally, Mr. Deputy Speaker, I just want to sum up by saying that there is no crisis in the Government. There is no crisis in tourism. Tourism all over the world has had a decline last year, and I am sure that with the marketing strategies which the Board of Tourism has now projected for 1983, we should see a remarkable upturn in our tourist arrivals during the next year.

I thank you.

Mr. DEPUTY SPEAKER: The honourable Member for Christ Church West Central will now address the Chair.

Mr. M. A. KING: Mr. Deputy Speaker, the statement of the honourable Member for St. Michael North East (Mr. L. L. Sisnett) in relation to the International Monetary Fund, and the statement by the honourable Member for St. Michael South East (Hon. DeL. O. Bradshaw) in relation to severance payments , are classic examples of the truth of the statement that " a little learning is a dangerous thing."

The honourable member for St. Michael North East, commenting on the International Monetary Fund, made the appalling statement, that Governments can borrow from the International Monetary Fund on the same basis as private citizens can borrow from banks. There is no analogy, and were it not for the fact that time is short, I would have spent some time in explaining the true position of the IMF. But there are others who will follow after me who will deal with the IMF issues, so I will address my remarks into other areas.

The honourable Member for St. Lucy (Mr. R. E. Brathwaite) earlier this morning – I will just make one or two passing references to the IMF inasmuch as it was addressed by Members – likened becoming a member of the IMF to participating in insurance, and he talked about the fact that you joined insurances and you got benefits at some later stage.

Of course the Democratic Labour Party took Barbados into the IMF. It was in our time that we became a member of the International Monetary Fund, but the honourable Member for St. Lucy should perhaps have gone a little further and likened the arrangement to industrial insurance, sickness insurance, hospitalisation, accident insurance; so that in case Barbados had accidents, in case the economy got sick, in case it needed hospitilization, then it was to the IMF that we could go.
4.05 p.m.

So honourable Members on the other side should be thankful that we took the early decision to participate in the membership of the International Monetary Fund, because at a time like this, when the economy of Barbados is so sick and the Government of Barbados does not have a prescription for dealing with it, they find that the first available remedy at their disposal is to capitalize on their insurance and to go to the International Monetary Fund.

Of course, we on this side of the House maintain that the decision to go to the Fund for this type of assistance which has been sought has been totally unnecessary at this stage. So much for my comments, Mr. Deputy Speaker, on the International Monetary Fund.

I want to direct my attention specifically to two particular issues. One is in relation to severance payments, and I want to demonstrate how wrong it has been for the Prime Minister, the right honourable Member for St. Thomas, to deal with severance payments in this Budget in the way in which he has done.

The philosophical basis on which the honourable Minister has proceeded is all wrong. He likens severance payments unto unemployment benefits, but one of the principal philosophical bases for severance payment is that it is not like unemployment benefits, and it is not designed to tide workers over in times when they are unemployed just after losing jobs.

Philosophically, severance payments, or redundancy payments as they are known in the United Kingdom, are regarded as compensation, for loss of employment, for loss of security in a job and loss of a right to long term employment, which have accrued to workers over a period of time. And this is not my own assessment and interpretation of the basis for redundancy payments. That position has been abundantly stated in a number of decisions which have been considered, in which the question of redundancy payment on the basis on which it was established has been considered.

I will not dwell at any length on the decisions, but I would just like to refer to one or two of them, Mr. Deputy Speaker. I read from the Law of Redundancy Payments, Second Edition, by an acknowledged author on this subject, Sir Grunfeld, at page 3, and this was a judgment of Lord Denning, in a case called Lloyd v. Brassey:

> "A worker of long standing is now recognised as having an accrued right in his job; and his right gains in value with the years. So much so, that if the job is shut down, he is entitled to compensation for loss of a job – just as a director gets compensation for loss of office. The director gets a golden handshake. The worker gets a redundancy payment. It is not unemployment pay. I repeat 'not.' Even if he gets another job straight away, he nevertheless is entitled to full redundancy payment. It is, in a real sense, compensation for long service."

I would just like to refer, Mr. Deputy Speaker, to one other statement. If you feel that Lord Denning is too advanced, here is another statement, by the Chairman of the Norwich Industrial Tribunal:

> "It has been suggested that a redundancy payment is not a golden handshake, but was intended to tide a man over the period of unemployment, and that when he has no unemployment it is unfair and wrong that he should get a redundancy payment. The policy behind redundancy payments is not that they should tide a worker over a period of unemployment, earnings-related benefits are intended for that purpose. The stated purpose of the redundancy payments scheme is twofold: it is to compensate for loss of security, and to encourage workers to accept redundancy without damaging industrial relations. A redundancy payment is compensation for the loss of a right which a long term employee has in his job. Just as a property owner has a right in his property and when he is deprived he is entitled to compensation, so a long term employee is considered to have a right analogous to a right of property in his job, he has a right to security and his rights gain in value with the years ... the purpose of redundancy pay is to compensate a worker for loss of a job, irrespective of whether that loss leads to unemployment. It is to compensate him for loss of security, possible loss of earnings and fringe benefits, and the uncertainty and anxiety of change of job ... Unemployment benefit, on the other hand, is designed to provide a regular source of income during unemployment. There is a distinction between the com-

pensation for loss of office and the relief of hardship."

Now when one looks at the basis on which the right honourable Member for St. Thomas has proceeded in these Budgetary Proposals, one sees that his philosophical basis is totally in error. He states at page 43:

"Severance payments can in fact be regarded as future streams of income received in a present lump sum, and, if received as income, would have been subjected to the appropriate rates of Income Tax."

One of the other important things about redundancy payments, and based on the philosophy which I have articulated, is that redundancy payments are always tax free. Tax is never attached to redundancy payments or to payments which a worker gets on the termination of employment; and you will find that in the United States legislation, which is the legislation on which our legislation is based, in the Employment Protection Consolidation Act of 1978, Section 140, it expressly prescribes that redundancy payments should not be subjected to tax. So when the Member for St. Thomas makes a statement

"I therefore propose, as from income year 1983, to impose a tax, such as exists in most countries, on all payments made on termination of employment, other than genuine retirement benefits, including severance and redundancy payments and compensation for loss of earnings on dismissal",

I would like him to tell this Honourable House the countries to which he refers, where severance payments and payments on termination of employment to workers are subjected to Income Tax.

Mr. Deputy Speaker, there is another important point I would like to make on this whole question of taxation on workers' redundancy payments on termination of employment. In our Severance Payment legislation, redundancy payments are calculated on the basis of the net earnings of workers. Net earnings, as I understand it, means earnings after deduction of Income Tax, National Insurance benefits and so forth; so that if you are compensating workers on the basis of a redundancy payment which is based on the net earnings of the worker after tax, it seems to me, Mr. Deputy Speaker, that something has to be wrong if you are taxing the worker on his payment a second time, because that is in essence what would be happening.

4.15 p.m.

He receives his payment calculated on the basis less tax, and yet you are saying that when he becomes redundant and you award him a redundancy payment, you are going to tax that payment as well! Something has to be wrong, and the only way you can redress that imbalance is by changing the definition of basic pay in the redundancy law at the moment, and ensuring that the redundancy payment to workers is calculated on his gross earnings, because otherwise, you are doing that worker a serious injustice and taxing him twice.

Another point which I want to make on this whole concept is that the right honourable Member, at page 44, talks about his proposal that

"employers and others liable to make termination payments shall deduct the tax at source in the same manner as Pay As You Earn deductions, and pay the tax over to the Commissioner of Inland Revenue in the same terms and conditions as govern PAYE deductions."

In the courts, there are a lot of wrongful dismissal cases where the judges make awards. What is going to be the position when an award is made to a worker in a wrongful dismissal case and the judge orders a payment of $X as compensation? Are the proposals directed towards requiring the employer first of all to deduct the money before payment to the court, or are the proposals directed towards ensuring that the worker, after receiving the money from the court, pay the appropriate amount of taxes to the Commissioner of Inland Revenue?

The Budgetary Proposals do not address these problems very clearly, and one is left in great doubt, I suggest, as to precisely what is intended by this decision to tax workers on their severance payment and on payments which they receive from the courts in cases on wrongful dismissal.

So if one accepts then that the basis of redundancy payments is to compensate workers for loss of jobs, loss of employment or for loss of security in their job, then I say that the present proposals in the Budget in so far as they relate to severance payments are grossly in error, are a severe assault on the rights of workers. And when the right honourable Member for St. Thomas makes the assertion that the severance payment provisions in Barbados are extremely generous to workers, I make this observation: "These provisions are not generous." They are very realistic provisions taking into account all the circumstances that exist in Barbados.

The provisions may not be as what the honourable Member called "generous" in other countries, but in other countries you find that there is a regime of all sorts of other benefits which compensate for the generosity, so to speak, in the Barbados situation. In the United Kingdom, for instance, where the provisions on the quantum of redundancy payments are not as generous, you find that there are some earnings related benefits, a whole flow of what they call "pecuniary benefits and other interests," which are available to workers when they find themselves in situations of redundancy.

You find in the United Kingdom, for instance, where workers are dismissed because of redundancy, that they are, by law, allowed a reasonable time within which to look for new employment; they are, by law, required to be allowed sufficient time to arrange for retraining for industry, and you have a whole industrial climate where the opportunities for jobs in industry are far better than the industrial climate in which we in Barbados live.

In the United Kingdom, where the provisions are less generous perhaps, you have the position where the workers have the benefit of an unfair dismissals law, where they cannot be dismissed at the whims and fancies of employers; and in the United Kingdom employers have to have a good cause for dismissing the workers. They cannot dismiss them unfairly.

We do not yet have that regime for unfair dismissals legislation in Barbados. We on this side had promised it in our manifesto and I believe the other side has promised it in their manifesto as well, but it is about time that the Government of today proceed with that very important social measure; and you are talking about revolutionary social change. Proceed with that sort of measure and protect the masses of workers in this country who, day after day, week after week, survive at the whims and fancies of their employers.

So to sum up on this aspect of my presentation, all these provisions in relation to severance pay should be seriously looked at again. They do a disservice to the workers of the country. They are a flagrant assault on the rights and benefits which we on this side provided for them in the Severance Payment Act of 1974, and we provided what we termed "realistic benefits" to the workers.

This Government says that these benefits are too generous and this Government is now making a direct assault on the workers of this country, not only by limiting the amount of severance payment which they might get when they are terminated on grounds of redundancy, but also by seeking to tax those earnings.

I say that rather than hedge around the right to redundancy payment and the quantum which workers should receive, the Government should be proceeding full speed ahead in providing legislation to prevent workers from being unfairly dismissed, and at the same time they should be widening the area where they can recover compensation for termination of employment.

We do not need to provide that they should be compensated only where redundancy situations exist. We need to ensure that workers are compensated where they are dismissed by their employers even where they are not cases of redundancy, where the employers have no just cause for dismissing them.

In my experience, time and time again, people, who sometimes have thirty years' service with a company, are terminated by one week's notice because they are weekly employees, or by one week's pay in lieu of notice in respect of their years. They have no ground for complaint; they cannot recover any further compensation from the court or from a tribunal unless that dismissal has been the cause of redundancy. So it is time that we address these very serious and important problems for the working class people of this country and provide a wider spectrum of benefit where people may recover compensation, even although a redundancy situation does not exist.

I would seriously urge the honourable Member for St. Thomas to, at a very early stage, review his provisions as far as severance payments are concerned, because, clearly, enough thought has not gone into it; it is purely a taxing measure which does not take into account the wider and philosophical concepts which are involved in the issue. It is a measure which is designed purely to raise taxation, and to raise taxation at the expense of the working classes and the low income earners. Those are the people I am particularly speaking about.

I would like to turn next, very quickly, to the problems of transport, Mr. Deputy Speaker.

4.25 p.m.

The Minister of Transport, the honourable Member for St. Michael West Central (Hon. V. L. Johnson) addressed this Honourable House yesterday. In this Budget, we are increasing the bus fares to 75 cents. Some honourable Members said that that is no big thing. But the Minister of Transport and Works should have been candid with this Honourable House yesterday and explained or informed the Honourable House of certain decisions which have been taken, and which are being taken, in relation to the Transport Board.

One of the problems which has dogged transport in this country over the years is that they have always been problems with its management, and that is one of the principal areas we have to address.

Whenever you have a problem you cannot decide that you are going to raise fares or provide more subsidies to get out of the problem. A problem of inadequate finance can be partly a result of inadequate management. And when I talk about inadequate management, Mr. Deputy Speaker, I am not talking about existing managers of the Transport Board. I am not even blaming the Chairmen, because if you do not provide them with all the necessary support that is required, it will make their jobs impossible.

So the attack on the Transport Board has to be from a policy point of view. Policy considerations have to be important, and if you base your whole development on policy which is not well articulated and which is not sufficiently wisdomed, then you are going to have problems.

What do we have in the Transport Board today? You have just had a change of Ministers. That is no big problem, because the Ministers do not directly run the Transport Board itself. But before I move off that change of Ministers, there is just one important point which has to be noted, and this has to do with what happened to the Transport Board. Why is the Transport Board in the position in which it is?

Some time ago, we had a statement from the former Minister of Transport (Hon. Dr. D. G. Blackman) that there were some irregularities in relation to the assets of the corporation. On the admission of the present Minister of Transport and Works, he was one who had paid for one of the chassis of the Transport Board and he was using that chassis, I believe, to haul canes. I think that is what he said.

The then Minister of Transport, the Member for St. Michael East, promised that because of the infelicities which were existing in the Board, he would conduct an investigation, and we assumed that this Honourable House would be treated to a report on the results of that investigation.

Now whether the investigation has been carried out or not, we are not in a position to say categorically But the fact is that the Minister, who must have been the subject of investigation – because he was one to whom a chassis had been delivered – that Minister is now the Minister responsible for Transport and Works.

So I am just concerned, and I am sure the whole country must be concerned as to what is going to be the position. When are we going to have the report from the Minister of Transport and Works, a report which was promised by the former Minister of Transport and Works? And if we accept the doctrine of collective responsibility, the collective responsibility of the members of the Cabinet, then the fact that there is a new Minister should make no difference, because it must be, and it is in the interest of the Transport Board and the Government to ensure that that report sees the light of day.

I say that the problems of the Transport Board are based, essentially, on this failure to come to grips with the problems of management. I said that a Minister has just been changed and that that is no big thing. But the Minister of Transport and Works addressed this honourable Chamber yesterday and did not tell this Honourable House that a change is being made in the chairmanship of the Board of the Transport Board. Now, what is the problem?

(Hon. V. L. JOHNSON: I do not have to tell you anything.)

Mr. M. A. KING: You do not have to tell me anything. You have to tell the nation why you are changing. You have to tell the nation.....

(Hon. V. L. JOHNSON: The nation knows.)

Mr. M. A. KING: .....why you have changed and whether there are problems, and what the problems are which necessitate the change.

Aside.

Mr. M. A. KING: I would not be diverted on that.

The Minister has to tell the country why there has been a change. Now, is there going to be a change in the management shortly? Is the manager going to be changed as well? Why are we having so many frequent changes in the administration of the Transport Board. Because, Mr. Deputy Speaker, let us face it; if you have an organisation which is being subjected to continual change, not allowing those to whom you have entrusted the corporation to get on with the job and to settle in, to understand it and to work with it, those changes have to be justified, or otherwise, from the policy point of view, you are creating problems for your own corporation.

So there are a whole lot of areas which have to be addressed. Raising bus fares is not going to solve the problems, because if the Transport Board were a full utility, in the full sense of the word, you could not get an increase in rate unless you provide service commensurate with the rate increase.

I emphasize proper management, because recent experiences have shown that management problems have created difficulties for the Board, for instance, in the purchase of some Mercedes buses.....

Mr. DEPUTY SPEAKER: The time allotted to the honourable Member has expired.

Mr. M. A. KING: May I just wind up, Mr. Deputy Speaker, or am I being stopped forthwith? If you stop me, I will stop.

Mr. DEPUTY SPEAKER: I cannot allow you to wind up over three or four minutes.

Mr. M. A. KING: A sentence, Mr. Deputy Speaker. Mr. Deputy Speaker, in relation to the Mercedes Benz buses, new buses which were ordered for the Transport Board, it was found when these buses got here that they were unable to climb the hills of Barbados, it was discovered that they could run only on the flat routes....

Mr. DEPUTY SPEAKER: I will have to ask the honourable Member to terminate his speech.

Mr. M. A. KING: As you please, Mr. Deputy Speaker.

Hon. L. S. CRAIG rose.

(Mr. B. M. TAITT: Are you speaking?)

SUSPENSION OF SITTING

Hon. L. S. CRAIG: If I am speaking? Are you afraid of me?

Sir, I beg to move that this sitting be suspended for ten minutes. I have taken into consideration the very long time that you have been in the Chair and also the crew of technicians from the radio stations et cetera. I beg to move that we have a very short break of ten minutes, Sir.

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

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

On Resumption:–

Mr. DEPUTY SPEAKER: This sitting is now resumed. The honourable Member for St. Andrew will now address the Chair.

Hon. L. B. BRATHWAITE: Mr. Deputy Speaker, I rise to address the Chamber and the nation at a most critical time in the country's history, and to give my full support to the Budgetary Proposals as put forward by the Minister of Finance, the right honourable Prime Minister.

In speaking on the Budgetary Proposals, I would like to make my position clear at the outset by stating that no party in power likes to impose taxes. If it were possible for any Government to reduce or to remove all taxes and still run the country, it would do so, and certainly it would be returned to power without any question of any Opposition. Therefore, when the opponents become critical of the Government because of any decision it takes to impose taxes, it means that it does not really understand that the Government must impose taxes at some time in order to carry on the affairs of this country, and that any taxes which are imposed are never lightly imposed.

We have listened today, and yesterday as well, to a series of attacks on the Budgetary Proposals, such that if one were not living in Barbados and understood the realities of the situation in Barbados and how the people are still living in the face of all the woe and the gloom, one would certainly say that we were living somewhere other than Barbados. We heard the chief spokesman for the Opposition say that sugar is in trouble, unemployment is in a serious state, housing in the public and private sectors is in trouble, manufacturing is in trouble, the public debt and the public guaranteed debt is approaching $1 billion and we have abandoned our sovereignty to the International Monetary Fund.

Now these are really alarming statements. I recall just a very short time ago, after I made an address in this Chamber in connection with the introduction of an amendment to the National Housing Corporation Act, the chief spokesman on housing for the Opposition said that the statements I made on housing were alarming. If they were alarming, the statements made by the spokesman on Finance for the Opposition were really ultra alarming in terms of the position within the country today.

I do not see how housing can be that chaotic, I cannot see where sugar is in trouble except for the conditions which influence it in terms of the world situation. We know that the world sugar market is extremely depressed. Barbados has limited guarantees for a certain amount of its sugar, and any that goes beyond that limited market must certainly find its way upon the world sugar market, where it gets the price which is offered for sugar. Of course, it is also a known fact that the price which sugar is now fetching on the world market cannot compensate for the cost of producing it, that is, growing it and manufacturing it, from the point of view of the factories' production. Therefore, one cannot say that, from that angle, sugar is in a very happy position.

We are drawing towards the end of the sugar crop in this island, and I think we should all be heartened by the fact that we have not been having many serious cane fires. This is an indication that the public has become very aware of the fact that sugar is vital to our overall economy in terms of foreign exchange, and that they see the wisdom and the justification for not burning the canes.

I should also like to take this opportunity to compliment the honourable Minister of Agriculture, Food and Consumer Affairs (Hon. Dr. R. L. Cheltenham) for the very enlightened approach which he has brought to the question of the reaping of sugar cane in its green form, and the type of methods employed whereby people will

not be able to burn the canes, deliberately or otherwise, and reap the benefits which will be derived. What the Opposition did not say, and what it is the duty of the Government to say, is that although the sugar industry might be to some extent in trouble in terms of the world international situation, Barbados is still doing very well.

The honourable member for St. Philip South (Mr. H. A. Blackman) in his wisdom or lack of it – and I believe more lack of wisdom than wisdom – made very serious excursions into the field of agriculture, the IMF and all the areas, and he said how badly we were doing, forgetting that for the first time in the history of Barbados, non-sugar agriculture has performed much better than sugar agriculture in this island. This is a credit to the Ministry of Agriculture and a credit to the farmers in this country, whom we must salute for their total involvement, because until now, and even now, agriculture is just a work of love.

There are many people who, probably in the past, have been able to make a few dollars out of the sugar industry, but that was never a consistent form of making money. You made money for two or three years and then you went into a lean period of five to seven years. But they always kept the industry going because they believe in the industry, and they believe that in the fullness of time, it will come out of the rut and that they will be able to make some successes and receive some form of advantages out of that area.

The Opposition in this Parliament is not capable of dealing with matters of agriculture, because their history in the area of agriculture is not good. It was the Barbados Labour Party who, coming into office in 1976, brought back thousands of hectares of land into production in this country.

A criticism was made by the spokesman on Finance about a tax upon non-productive lands. Argument was put forward that we should give greater inducement to people who work the lands. Government has already done this, there is no more for it to do.

I believe those people who want to work the land are out there working the land, and those who are not working it will never work it. The Government, by a form of inducements, have given people the apportunity to work and cultivate the lands. They do not necessarily have to grow cane sugar, they do not necessarily have to grow vegetables, they do not necessarily have to grow peas, okras, citrus and other fruit trees, but they can grow pangola grass or other grass to feed the animals in the country, and therefore stop the drain of the foreign exchange from this country. Government has already given concessions in that area.

When we hear this cheap talk about what the Government has failed to do, the Government has done a lot in the circumstances. Nobody in this country, other than the people who are in the know, expected the Government at this crucial moment to be so liberal in its taxation policy. We heard a lot about unemployment and what the Government was doing to stimulate it. Government has been doing all that is humanely possible to bring the economy back on to the road to productivity. In the tourist trade, we have gone all out as much as we can, in terms of spending money in the tourism sector, in order to activate that area. In terms of manufacturing, we have been going abroad every moment, making contacts with the business people outside and asking them to purchase our manufactured goods. And I suppose that all of us are aware of what is involved in terms of what is owed to us by the Multilateral Clearing Facility.

A lot of people have been saying that we should not be owed that money. It is said that we were lax in our approach to that, but if we did not give the type of considerations which we gave in terms of the Multilateral Clearing Facility within the CARICOM area, instead of having the problems now in the manufacturing sector, we would have been having those problems months ago. The manufacturing sector would not be grinding to a standstill at this moment – it would have already been ground to a standstill. On the contrary, a number of manufacturers are still coming to Barbados and are still opening industries in this country without fanfare, and therefore Mr. Deputy Speaker, it is not right to say that Government is doing nothing in order to ensure that employment is generated.

The Government's programmes, to some extent, have been cut back, but although they have been cut back, they have not been entirely cut out. And when you look at the question of employment in places like England, France, Canada, United States of America and West Germany, you must admit and agree that we in Barbados are doing considerably well. I do not think that we have anything at all to be worried about or to be ashamed of.

5.00 p.m.

The argument was put forward that we have reduced the tax to people who should not be given any concession. I do not support that. I believe that the reduction in the tax to the upper bracket is a form of inducement for people to put more money into investment in the country, thereby generating more finance and more employment.

If, as in the past, you taxed a man who is in a higher income bracket at 70 per cent, and you now reduce it to 60 per cent, you have given him the encouragement and the inducement to feel that he stands to benefit from 10 per cent more than he had in the past.

Therefore, you give him the enhancement and the inducement to put more energy into the business, to put more capital into the business and thereby to employ more people. And what the Minister of Finance has done is to inject confidence in the people who matter in terms of finance so that more money can be put out by them.

Now, Mr. Deputy Speaker, food prices in this island have not been going up over the years. When we came into this Government, we discovered that things were extremely expensive. Sweet potatoes were being sold at 80 cents to $1 a pound; yams were of the same price, and English potatoes as well – terribly high – but today the situation is not so.

We have been able to stabilize the prices of locally produced goods, and our export markets, as I just mentioned, have been improving in terms of local production. And you cannot say that we are importing goods to the detriment of the people of this country because the people in this country are still getting adequate supplies of locally produced food stuffs to eat and drink.

We have so stimulated agricultural productive sector that they have now reached the stage where we are peaking in terms of production, and we are now looking for new export markets to take the surplus after the local demands are satisfied. And, as a result, the inflation rate in this country is not as galloping as it has been in the past, and we have got a lot to be happy about. A brief look at the Economic Report would reveal that.

Mr. Deputy Speaker, we have heard a lot about no inducements being given to housing. Not everything will come into a Budget. A Budget is a useful exercise in giving the country a broad perspective of the thinking of the Government in terms of its tax policies by way of incentives and otherwise. But a long time before those revenue measures are put into existence or concessions given, Government would be looking at other areas as well, and probably seeking to make adjustments whereby assistance would be given in a number of areas.

In the area of housing, I can tell you that the Ministry responsible for Mining is already looking at the cost of sand and the cost of aggregates from the quarries in this island. The Ministry responsible for Consumer Affairs is also looking at the question of prices within the building sector, with a view to making possible reductions. And both Ministries have already looked at a number of projects which, in their view, can be easily reduced, or considerably so, by putting them under price controls, so that people will be able to purchase material for the construction of their homes at more reasonable prices.

The Government is aware that the cost of building in this island is very high. But you can only succeed in controlling prices if you have your local input as well, and when the Arawak Cement Plant comes on stream, we will be in a better position to do that. We will be able to supply locally-produced cement, plus sand, which you will get from St. Andrew, and other aggregates around the island.

Mr. Deputy Speaker, touching on the question of sand, I would like to make one or two points. The constituency of St. Andrew is one that is known for producing sand in this island, and without the production of that sand there cannot be much building in Barbados. I am told that a little is flowing from a place in St. Joseph, but even though a little is coming from there, I do not believe that can satisfy the whole of the country.

The people of St. Andrew are of the view that since the sand is coming from there, and tremendous damage is being done to the roads in that area, and Government must stand the burden of the repairs to those roads, that the Government should by a tax policy have a royalty from the sand. I think that the Government must have a serious look at this, and I was looking forward to hearing that as a revenue measure in the Budgetary Proposals of the Prime Minister. But since that is not in there, I hope that will come nonetheless, because I am in favour of such a royalty.

I am not in favour of people coming to St. Andrew and digging all the soil out without any compensation for the repairing of the damage which they do. In the fullness of time, when I become an old man – probably still walking around – if I live – when people are asking me what came out of the holes in St. Andrew, I want to be in a position to tell them that sand came out of the holes, but for the sand that came out of those holes, I was able to construct for you good roads, good school buildings, and provide good facilities overall to compensate you for the destruction which was done to your land. That is what I want to do.

The honourable Member for St. Philip North (Mr. W. O. Franklin), in connection with mortgages for chattel houses, challenged me to say whether a single mortgage was given. My information is that two mortgages were given, but the problem there is that the lending agencies were not, despite the Government's policy, too encouraged to involve themselves with chattel mortgages.

The Government is prepared to borrow an amount of US$10 million from USAID, which will be on-lent to assist with chattel mortgages. There will be three components to this loan: one will be to assist people who are working for up to $16 000 a year to build a house for about $35 000; the next one will be to assist people in upgrading the facilities to their home to the tune of $8 000, and the other component will be there to assist people within the plantation tenantries with loans of about $4 000.

As you are aware, Government has made provision whereby people who are purchasing lots within the plantation tenantries, as a result of the Freehold Purchase Act, will be entitled to loans from the Barbados National Bank, and certain facilities, with reasonable rates of interest. The facilities which the Government will provide would be facilities for the people to upgrade their homes and put toilet facilities and groundsils and whatever in these homes.
5.10 p.m.

There are certain areas in Barbados where you will never be able to put solid wall on them. These areas are mainly in the Scotland District, but you will find some of these areas in St. Michael as well, even in the City of Bridgetown in the Emmerton Lane area. If you are to maximise the use of Emmerton, you may well have to use a light chattel system there so that you will not create problems there, because the land is not the best.

The honourable Member adverted to the question of the concession given on shingles. There are still a lot of houses being built with shingles. He also dealt with the question of people having galvanised roofs on their homes and about old people being burnt up in their homes. I think the honourable Member for St. James South (Mr. N. K. Simmons) dealt with this item as well.

The problem with old people being burnt in the house is not a question of the house having a galvanised roof, or a shingled roof, or a better roof. It is a question that the old people are left unattended and sometimes they go to bed and leave the lamp burning – I do not know if you know this – and that is why it might be a good thing to have electricity for all of them. But when the oil in a kerosene lamp is almost finished, the lamp makes a sudden flare, and that can create a lot of problems.

Asides.

Hon. L. B. BRATHWAITE: The honourable member for St. Michael West (Mr. B. M. Taitt) says he does not know about that.

Asides.

Hon. L. B. BRATHWAITE: Oh I am sorry; he says he knows about that. I am glad that he knows about that. That is the problem that you get. It invariably comes from the stove, which is near to the bed or somewhere near to the old lady, but it is not the question of a shingled roof. If I had to build I would prefer to have a house with a shingled roof than a galvanised roof.

There is another thing which the honourable Member for St. Philip North, who I hear is a builder, but who does land surveying as a hobby, ought to be aware of. There is a study being done on the question of these different types of roofs, including the asbestos roof, and the revelation about it is that asbestos roofs are not the best to put on houses. They have discovered that the chemical combination of the asbestos really is not conducive to good health, and therefore people are moving away from asbestos today, especially when it is exposed. The galvanise you are getting is not always the best type, and I would suggest that you look again at your thinking on the question of the concession on shingles which are being offered, and the old people out there that you are representing, the old people which this Government is already looking after.

The Government is not going to do anything to hurt the old people, and if coming out of this discussion here there are any ideas advanced from this side or that side which can be useful to assist any of the people in this community, I am sure the Ministry of Finance will never fail to implement these ideas. We have always been amenable to any suggestions which are put forward to us in the interest of the working class people and in the interest of the suffering people in this country.

There is one thing which I have not heard a lot about, and I would wish to advert briefly to that – the question of the over $6 million which will go towards the paying of additional money to public servants in this island out of the monies which would be collected as a result of these revenue measures which were introduced by the Prime Minister and Minister of Finance. Now these are important measures. It is not that you are collecting this money to throw down the drain or to do anything that is improper.

I have heard a lot of arguments adduced in here today, and yesterday as well, about how the IMF gives instructions that in the areas where there are poor people enjoying certain benefits, these are the areas that are usually attacked first – like water, electricity, telephones and what have you.

One honourable Member went on to exonerate the honourable Member for St. Michael South (Mr. L. E. Sandiford) from the question of the water rates. He was extremely vocal in his position with respect to denouncing the budget measure, but I am sure he will agree that the IMF has nothing to do with the agreement that was signed between the Government of Barbados and the IADB in the connection with the Sewerage Project in this Island. It is a project which is so structured that every two years an increase is made to the water rates in this island in order to bring it to a point, because it has to be self-sufficient in terms of revenue, and people must understand these things. It has absolutely nothing to do with any IMF.

I know this Government and I know myself, and I will never be part of an arrangement where the IMF can

come here and take away the sovereignty of this country by telling the Government how to run the country. I imagine that in any arrangement where finance is concerned, with any bank which you go to, you will have to negotiate any loans which you need to acquire, so you will have to make arrangements. But I am still aware that the Government are the firm bosses in the House of Barbados, and no foreign or external body can tell them what to do.

I now want to address the points made by the honourable Member for St. James South. He dealt with the question of tourism and attitudes, and he said that the Government is doing nothing, because we are causing the workers to believe that they are so important that they are even more important than the tourists who come. I hope that I have heard him correctly.

I should like to know how long he became conscious of this, and if during his time sitting on the Bench, he was sufficiently concerned to take the necessary corrective measures to ensure that people adopt the appropriate policy in their attitude towards their fellowmen.

Mr. Deputy Speaker, this is my contribution to this debate and I thank you very much.

Mr. DEPUTY SPEAKER: The honourable Member for St. Michael West will address the Chamber. I would be grateful if you would inform me whether you would be winding up for the Opposition.

Mr. B. M. TAITT: No, Sir. It is my understanding that the right Honourable Member for St. John (Rt. Hon. E. W. Barrow) will have that honour.

Mr. Deputy Speaker, once again we are in the throes of the final stages of another Budgetary Proposal and Statement from the right honourable gentleman who represents the constituency of St. Thomas (Rt. Hon. J. M. G. M. Adams).

Mr. DEPUTY SPEAKER: The right honourable gentleman is referred to as the Rt. Honourable Member.

Mr. B. M. TAITT: Yes, Sir. He is a gentleman too, Sir. The right honourable Member is the gentleman from St. Thomas.

Once again we have had the same story played out where, prior to the presentation of the Statement in the House of Assembly, the honourable Member for St. Thomas, from his staging pad in New York or Washington – I understand he says he does not go to Washington – goes up and prepares the people in a particular way.
5.20 p.m.

Mr. Deputy Speaker, if you review the last few budgetary presentations, you will see that in the weeks prior to the presentation, there was an indication that taxes would have to be fairly heavy. This in turn prepared people for more on the face of it than they actually got in the Budget when it is presented. And then, Sir, the right honourable Member is lauded by first his friends and, secondly, those who tend to be superficial in their analyses, as having not done us as badly as we thought he would have done.

Now, Sir, it has been pointed out quite clearly that the right honourable Member continues his budgetary practice throughout the year. And I think the best example of that that we have seen this year is when he caused to be put in the mouth of the honourable Member from the City (Hon. Miss B. A. Miller), at a Speech Day recently, a pronouncement *ex cathedra* in which she said that, as from then, forthwith, the children of Barbados who had been in secondary schools for five years prior to that date, would now have to pay a fee of $40 before they could take their examinations. After some initial reaction from the population, that was changed to $40 per exam as opposed to $40 per subject.

But, Mr. Deputy Speaker, that was a budgetary measure. All of the reasons given for the imposition of that $40 cannot fall short of the fact that when the honourable lady said that they had lost $18 000 as a result of absenteeism and you add up the amounts collected, as we have added them up, my figure is $654 000. That, Sir, is as much a budgetary measure as any you will find. But, as I said, this is the style of the honourable Member.

I go further. You will recall that last year, the honourable Member was so intent on a facile presentation that he imposed a Stamp Duty on the insurance industry which nearly wrecked the insurance industry of this country. And were it not for an analysis done in the weeks following the presentation of the Budget, which he had the good sense to accept, an analysis done from this side, the insurance industry would have been reeling in this country.

But it is not unusual for them also to have to come back. You will recall, Sir, that not long ago, they came to this House and they presented a Bill in which they gave the sugar industry $20 million. Mr. Deputy Speaker, Sir, when the flares of debate have died down, the honourable Member has to bring back to this House, I am told from reliable sources correcting legislation. It appears that the legislation to give the $20 million, as had a lot of legislation which has come before this House in recent times from that side, has been faulty and is in need of correction. So, we will be able to discuss agriculture, sugar and non-sugar, in due course, very shortly, because they will have to come back to this House once again to have the legislation corrected.

In answer to the former Minister of Health (Hon. L. B. Brathwaite), who has not spoken at all today about his portfolio, I wish to say to him that when we say the sugar industry is in trouble, we are discussing it structurally, and we are indicating that it will not be long before the Prime Minister himself will have to come back, in his capacity as Minister of Finance, for yet an additional sum of money to bail out the sugar industry in this country.

Mr. Deputy Speaker, I also wish to – before moving into the three areas I wish to cover – deal with a matter raised by the Minister (Hon. L. B. Brathwaite) who just sat down. He talked about raising money to pay the civil servants. I would like to make a point, Sir. The Prime Minister gave the impression in his presentation that he was giving the civil servants a concession in his Budgetary Proposals. Mr. Deputy Speaker, a wage negotiation is a wage negotiation, and a wage increase is a wage increase, and therefore, if he is giving the civil servants a 2½% increase, it must not be seen as a concession given in the Budget. It is a negotiated wage increase.

So again, Sir, these all form part of the Minister's presentation in such a way as to give the impression that he is handing out largesse, even in times of difficulty.

But I want to say that when the Budgetary Proposals and the Statement are examined in their entirety, what will be noted is that on this occasion, the Minister of Finance has not addressed himself to the structural problems of this economy.

In Barbados, we have three main areas that help to maintain the economy. Those three areas are agriculture, tourism and industry and manufacturing, and they form a substantive part of the GDP in this country. We have had no particular input on manufacturing, on industrial development and I would like to spend a few moments to examine this.

We will indeed deal as well, Sir, before I get to that – with the shift which has come into this Government's policy from the very first day it became the Government of Barbados, a shift which is now a clear mark, which shows that the Government is intent on shifting the burden of the running of this country on to the shoulders of the masses of this country. The large proportion of the people who earn the less money in this country, are the persons on whom this Government intends to lay the backbone of this economy by a shift from progressive taxation to indirect taxation. It has been going on from the very first Budget, and this Budget is no different, Sir.

Let us look at the very subtle imposition of an additional one per cent Stamp Duty. Mr. Deputy Speaker, my colleague, the honourable Member for St. Michael North West (Mr. L. A. Weekes) has already dealt at length with the one per cent increase on the Health Levy. But let us look at the one per cent that has been added to Stamp Duty. I took the trouble to go and pick out an item at random, as it landed at Barbados. The CIF cost was $ 8 042.37. There is a 30 per cent duty on it, Sir. That was $2 412.71. The Consumption Tax, imposed by that Government, 10 per cent, $1 045.51 and the 3 per cent Stamp Duty which is on the CIF, on the 30 per cent, is $241.27. So, whereas the CIF item landed in Barbados $8 042.37, an additional amount of $3 099.49 is imposed by the Government before the item leaves the Port. They did it this week, three percent.

Sir, the multiplier effect of that kind of calculation should be obvious to even the simplest mind. What it means is that the simple imposition of a one per cent Stamp Duty has an inflationary effect throughout the entire economy, and indeed, the Stamp Duty is not selective, because it applies to every single thing which passes through the Port.

So when he said that he has removed the Consumption Tax from shingles, and he has put on a one per cent tax on all the other items that are coming in, where before, Sir, the Stamp Duty used to be ten cents, a ten cents stamp, he is now imposing $241.27.
5.30 p.m.

Mr. Deputy Speaker, when he says he gives the civil servants a 2½% increase this year, and he imposes a one per cent levy at gross, he is in fact doing what he has demonstrated the capability of doing, he gives you with the left hand and he takes with the right hand.

I am very sorry that the honourable Member for St. Michael West Central (Hon. V. L. Johnson) is now not in his place to give us the appropriate biblical quotation to demonstrate that kind of activity, and I would have hoped, if he was here, that he could get it right this time. Yesterday he sought to invite us to read the Bible and he quoted it wrongly, and these things only happen when, as has been happening in this debate, attempts are made to invoke the name of God into the doings of the Barbados Labour Party.

I leave the population of Barbados to be the judge to what extent God has any hands in the doings of the Government. But I will say this: God is not asleep, Sir, and what you sow you must reap. That is in the Good Book. I will not go any further, because time does not permit me to go into any long discussion on theology.

Mr. Deputy Speaker, when I say that the Government is shifting the burden on to the smaller people in this community, I wish to give another example of this. Some time last year on the Floor of this Honourable

House, I indicated that a World Bank Report had made strong suggestions on the measures which this Government should take. You may recall that at that time the Prime Minister indicated that he had not seen the page. It was page 14 of a document of the World Bank, dated May 28, 1982. This is in the records of this House already, Sir.

They had recommended a reduction in non-economic bus routes. That has been done. They had recommended the scrapping of old, inefficient buses. That has partly been done. They had recommended the elimination of conductors on buses, or the institution of multiple rates rather than the present flat rate. I recall that when I raised the question of the elimination of conductors, the honourable Members on that side sought to vilify me, but I put it to you, Mr. Deputy Speaker, that the decisions made recently concerning the Transport Board can find their genesis in this recommendation of the World Bank.

There is a school of thought in the Government circles that there are 1 700 people working at the Transport Board, and that that figure can be reduced to something like 900 and run the Board efficiently. I do not believe that every single Member over there accepts that school of thought, and that is why, perhaps, we had the recent ministerial changes. We have had the ministerial changes and now we are having the consequential changes of those ministerial changes, and so we see a chairman appointed a year ago, a chairman who, in his utterances, if nothing else, demonstrated that he has an understanding and a feeling for people, and suddenly, perhaps because he is unwilling or unable to implement insensitive policies, he has gone, as they say in Barbados, "through the eddoes."

The point is that the reduction of staff at the Transport Board is now as axiomatic in the Barbados Labour Party's Government policy as the change which is to come about in the Tourist Board resulting from the letter.

On the question of tourism, Sir, the honourable Member, the Deputy Prime Minister (Hon. H. B. St. John) – I believe he is still the Deputy Prime Minister, Sir, I believe he still retains that portfolio – indicated in his presentation that the Government has satisfied all of the promises which were made in the Barbados Development Plan.

Now, Sir, it would take some time to go through this Development Plan, even in a cursory way, to delineate the number of commitments made in this Economic Plan 1979–83 which have not been fulfilled. At page 51, to take one page at random, one of the public investment programmes was going to be the relocation of the Barbados Marketing Corporation. You and I, Sir, and all the other people in Barbados, can attest to the fact that the relocation of the Barbados Marketing Corporation has not occurred as yet.

But I do not wish to dwell outside of that gentleman's portfolio, let us take the honourable Member's own portfolio, Tourism. I am not going to dwell on some of the matters that have been touched on, except to say this – no one is going to say it to him, so let me say it – the people of Barbados have had a high regard in the past for the honourable Deputy Prime Minister. No one who has ever been involved in public administration, no one who has understood the systems of management by which we run a country, could accept that a Prime Minister should write to an official of a statutory board, over which another Minister presides, in the terms in which the Prime Minister wrote to the Director of the Barbados Board of Tourism, without casting aspersions on the management capability, if nothing else, of the Minister responsible for that agency. In the Westminster model, which we are supposed to follow, the proper thing for that Minister to have done was to resign, to offer his resignation to the Prime Minister.

The letter might have been written in the voice of Jacob, if I may use that analogy, Sir, but the message was in the hand of Esau. You think about that. The message was not directed to the person who received it, it was directed to the person who presides over the one who received it, and these are matters which account for the problems which exist in one of the fundamental, if not the most fundamental, sectors of our economy.

All kinds of reasons have been given for our tourism failures, but one has to go back only two or three years to examine and understand what has gone wrong. The problem, put very simply, is one of management, management at the very highest level.

When the Barbados Labour Party came into power, Sir, they found a tourism infrastructure that had had the benefit of a tremendous amount of work, a tremendous amount of input from all aspects of tourism development. It was on the basis of that work that they were able to take off in 1978 and 1979 in good tourism years. But they did not continue the work that is necessary, the infrastructural work that is a continuing part of tourism development, and as a result they have come screeching to a halt, precisely because they were not ready.

There are enough tourists in North America who are still interested in coming to Barbados, no matter what the problems we hear about and see written, if those tourists can be got to, if those tourists can be promoted, and if those tourists can be induced to come to see what Barbados is like.

I am very pleased to note that in more recent times an effort is being made and a different form of promotion which will allow more people in North America to

become aware of Barbados as a destination. But for 300 000 people, we do not need to canvass the entire 235 million Americans; what we need to do is to concentrate on the Eastern Seaboard. There are more people on the Eastern Seaboard of the United States than in the entire Caribbean and in a large part of Europe, and all they need to do is to be told about Barbados in the proper terms and they will come.

The people of Barbados, as has been pointed out by my colleague, the honourable Member for St. James South (Mr. N. K. Simmons), need to feel that they are part of the development in this country. All of the attitudinal problems which we have stem from the policies of this Government, which seem to separate us into two camps; not Barbados Labour Party and Democratic Labour Party, but "us" and "them".

A large number of people in Barbados have come to feel during the last few years that they have no stake in their own country. Never in the history of Barbados have so many people been afraid, petrified and anxious about what is happening in their community. It is a strange kind of fear, Sir, and no one who walks the streets of Barbados can fail to recognise this deep feeling of anxiety which has come over everyone, a sense of, if you will, intellectual nausea, because people cannot understand what direction the country is going in.
5.40 p.m.

Mr. Deputy Speaker, these particular fears can be the best recognized in the area of industrial development. If one takes the Economic Report and looks at the section which sets out industry, pages 32 and 33, one will see here, what can only be described as generalized obfuscation. There is nothing specific about the performance of the industrial sector in this Economic Report, and I believe, as I have said on another occasion, that the officials who have to turn out this particular material must sometimes feel absolutely unpatriotic, and pain, that they are forced to have intelligent people read some of this garbage in the form of a report.

Mr. Deputy Speaker, the truth is that the net number of jobs which the Industrial Development Corporation has been able to get between 1979–1981 is 340. And here is how they deal with them, Sir. According to their estimate, also a total of 399 new jobs was created – but listen to this, Sir: "but displacement of workers in older industries resulted in the fall of employment in this area." They do not tell you to what extent, but if you examine it in some detail, which time does not permit me to do, you will see that the details show that we have had a net loss in jobs during the period.

Now, I do not attribute that to any particular fault of any particular individual. What I say is this: the Minister responsible has not provided the kind of leadership, and more particularly, the Prime Minister, who must think industrialization is as important as we say it is, who must provide concomitant support for his Minister, whoever he may be, in this very serious and difficult task, has not provide out of the moral or political leadership that is necessary for a strong industrial sector.

Recently, Sir, the honourable Member, the Minister of Agriculture (Hon. Dr. R. L. Cheltenham) went to address the Barbados Manufacturers' Association. The Prime Minister had been invited to address them and had not responded until it was too late, and the Minister went to deliver his speech for him. That, Sir, is an indication of what I am talking about.

We are locked in battle in the Caribbean Community, Sir, and you will not believe if you listen to this debate, a Budgetary Debate, that we are in the process of losing the entire garment industry. In terms of our production, our sales and our marketing in the Caribbean area, anyone listening to this debate during the last few days could not believe that we have a crisis in this country.

I challenge the Prime Minister and the Deputy Prime Minister to tell the people of Barbados what is the full extent of the crisis. We are in danger of losing about 3 000, 4 000 jobs during the next few weeks if we do not get out of this morass in which we have found ourselves with the Caribbean Facility, with the Jamaican intransigence and now with the Trinidadians' brilliance.

What the Trinidadians have done is precisely what, in an earlier time, I suggested could have been done. And it is because this Government wrongheadedly allowed itself to hold the position of a licensing policy that it now finds itself at the wrong end of a stick.

The Trinidadians, the Jamaicans and the Guyanese have us bound, both in terms of the amount of money that is outstanding to us and in terms of the amount of trade which we cannot have with them. We are unable to ship anything to Jamaica. We are unwilling to ship anything to Guyana, because we have not been paid for a long time, and now, Sir, we are having extreme difficulty shipping anything to Trinidad and Tobago.

BARPAC has lost a substantial part of its market to Trinidad and Tobago. Therefore, for us to hear that non-sugar agriculture had made tremendous stride, when we hear this in the face of our having lost tremendous markets, we are, in essence spinning top in mud. We are going nowhere fast.

A comprehensive policy of development requires that every single member of the team that has responsibility for the development of the country should work together, in tandem, if you will, to ensure that all the sectors are moving forward in the correct way and at the correct speed.

It is unfortunate, Mr. Deputy Speaker, that one has to use something like manufacturing or tourism to discuss in political terms. I have always felt that these two areas are so important and so significant for the people of Barbados that we should not have to ask anybody on the other side to listen to the pleas of those of us on this side who have some experience.

The right honourable Member for St. John (Rt. Hon. E. W. Barrow) has been responsible for a long time for the development of this country, and from time to time his voice is heard – but do they listen, Sir? This Government has become very insensitive in its approach to the development of this country, and added to the insensitivity is is a measure of arrogance, which manifests itself in some of the pronouncements. They are nothing short of pronouncements which come from the Ministers; in particular, the pronouncements concerning education, and in particular the pronouncements which, except for the budgetary measures, which are said in soft and manipulative tones, come from the Prime Minister.

From time to time, the Prime Minister goes to New York and delivers some new policy for the people of Barbados – as if we do not exist; and we have to keep in touch with a gentleman in New York, and hope that his reports are accurate, in order for us to know what is happening in Barbados. That is a sign of incipient arrogance. It is a measure which is breaking the social fabric of this country. It is putting father against son, mother against daughter, "B" against "D", and indeed, Mr. Deputy Speaker, it is responsible for part of the economic problems which we have in this country.

How do they solve them? They come with statistics which open themselves to very doubtful questions. Again, Sir, when one looks at the statistics concerning employment, one finds that, once again this year, these statistics are suspect. Time does not permit me to expand on that.

I will end with this, Sir: The people gave them a Government in 1976. They had it in trust. They have abused that trust. The time has come now, Sir, for the people to examine them; and if they have been put in the balance and they have been found wanting, then the answer is clear.

Thank you very much, Mr. Deputy Speaker.

Applause.

Mr. DEPUTY SPEAKER: The honourable Member for Christ Church West catches the eye.

Hon. H. deB. FORDE: Mr. Deputy Speaker, I would not like to say that the honourable Member who has just sat down has been placed in the balance and found wanting, but I think the fact that he is not winding up the debate on behalf of his party is a significant political pointer as to the position in which he is standing in the obvious leadership race in his party.

5.50 p.m.

However, I think it is probably right to begin my contribution to this debate by reminding of the Resolution which is now before this House. It says, Mr. Deputy Speaker, that the International economic recession has placed severe pressure on the economy of Barbados during the last two years, and despite these difficulties, the Government by its policies has been able to contain unemployment, reduce the rate of inflation and improve the public finances; and the Government has taken initiatives in preparing new developments for Barbados, including measures to promote housing, industry and highway infrastructure; and this House should therefore commend the Government on its initiatives, approve its economic and monetary strategies and endorse the Budgetary Proposals.

That is a sound Resolution. I find it difficult to understand how a normal, sane and skilled debater, such as my friend, the honourable Member for St. Michael South (Mr. L. E. Sandiford) found any difficulty in agreeing to sanction and give his support to such a Resolution.

Any person, objectively analysing the 1983 Budget and Barbados' performance in 1982, must do so in the context of the performance of the world economy as a whole in 1982. He must also take into account that an island of 250 000 people with 166 square miles, an economy still largely agricultural and dependent on strong external factors, cannot significantly affect world economic conditions, and that we are more than exposed to the fluctuations in the international economic system.

Small wonder then, Mr. Deputy Speaker, that in the publication put out by the Central Bank, the Economy of Barbados, 1946–1980, this same conclusion has been reached at page 44. It says that the impact of external circumstances on the economy of Barbados remains considerable, and it traces this impact during the 1940s, 1950s, Sixties and Seventies, and I think that any fair-minded, objective analysis of our economic performance during the period of the Forties to the Eighties will have to recognise that we have not yet got out of the dependence syndrome – and it will be a long time before we can do so.

There has been a valid effort by this Government to diversify the economy and pursue independent policies to inculcate ourselves against the external pressures. But let us face it. We are a small insignificant economic unit, and no matter how much we may try to place ourselves in a cocoon, we cannot be completely insulated; and

therefore if the world economy, particularly as it relates to our major trading partners, is doing badly, so too we will expect to feel some effect in Barbados.

The honourable Member for St. Michael South, in one of his few fair-minded moments in his debate, conceded this point: he conceded that the international recession had placed pressure on the economy. But the honourable Member for St. Michael South Central (Dr. R. C. Haynes) who led off the debate for the Opposition, on the other hand would blame all of the problems that have confronted the economy of 1982 on the Government and its fiscal and budgetary strategies, and he is prepared to make no concession because of the strong partisan and limited approach which he brings to a national issue that calls for a bigger approach to these matters.

What, then, has been the situation in the world economy during 1982? I do not want, in this short period, to go through all the problems one by one, but I think it is correct to say that the international economy has remained unstable and unpredictable. There were a few successes, if one looked at the world as a whole; successes in some of the OECD countries merely in containing inflation and reducing nominal interest rates, particularly towards the end of the last year following on the reduction in the United States of interest rates, and to some extent in one or two of the countries containing the budgetary deficits that we have seen.

In the OECD countries, what has been the growth position? In the OECD the growth position was merely 0.5 per cent, in France 1.5 per cent. Canada, one of our major trading partners, particularly on whom we depend for tourism, had a decline in growth rate of minus 5 per cent. In the United States, the economic giants of the western world, if not of the whole world, we had a decline in 1982 in the economy of minus 1.8 per cent and Germany's GNP, one of the strongest industrial centres and industrial countries, declined by 1.2 per cent.

Mr. Deputy Speaker, let me translate this in terms of unemployment. In Canada, we had 1.4 million people unemployed; in the United States, 12 million unemployed; in Germany, 7 per cent of the work force unemployed; in Great Britain, by the end of the year 3.3 million unemployed; and in the EEC as a whole 15 million or 12 per cent of the work force unemployed.

These are economies that are more diversified, economies that are stronger than our own economy, and yet they themselves could not withstand the tremendous impact of one of the worse crises in the worst international economic situation that has occurred in the memory of man.

What has this meant to poor countries such as Barbados and the Caribbean? The full effect has been felt in the sale of commodities in particular. Prices have fallen sharply.

Mr. Deputy Speaker, at the end of the year sugar on the world market in London was fetching £81 per tonne and selling at something like US6 cents per pound, well below the production cost in Barbados, and the result on CARICOM countries, on Latin-America – on all the developing world – has been a reduction in export earnings, with a consequential increase in the financing needs of the country, forcing the countries to greater borrowing, or rescheduling their debts, and exacerbating the debt situation.

In the region as a whole, if one has been following this, the same thing has happened: increasing rates of unemployment, mounting external debt particularly in Jamaica, and now with Trinidad losing its favourable balance of payments position.

In the Caribbean, we have seen the lowest crop in sugar in 30 years. We in Barbados experienced one of the worst crops. What were the conditions – not self-inflicted as we so often hear by the Government? There was unfavourable weather, unless it is said that the Cabinet has control over how the Lord brings rain and stops rain, unauthorised cane fires – this Government has fought against cane fires; the other Government of course sanctioned the cane fires by their very legislation – pests and diseases. Fortunately we were saved from labour problems.

But the progressive elimination of cane lands, which occurred under the Democratic Labour Party Government and was corrected by this Government, and, as I said before, the lower prices on the world's sugar market, have affected the Government's budgetary position and fiscal position. This meant that the Government has had to give price support to sugar in 1982, and it would have been a reckless Government which did not pursue a policy to maintain the employment of 7 000 people in agriculture, and the maintenance of sugar as one of the key foreign exchange earners of this country.

Mr. Deputy Speaker, it was not only in this field that the effect was to be found. It was in tourism as well. It cannot be denied that there has been some growth in some countries in the region. Members on the other side stress Jamaica, but we must remember that Jamaica has been in regression in the tourist sector for over five years, and when you talk about 20 per cent increase, you must relate it to Jamaica's position as existing at the time. Overall in the region we have had a one per cent decrease in tourist arrivals. Barbados, it is true, had a decline from 352 591 to 303 795, but it is my contention that this is only but a reflection of the serious recession in all of our

major tourist markets, Canada and the United Kingdom in particular.

I believe that the honourable Deputy Prime Minister and the honourable Member for St. Michael North East (Mr. L. L. Sisnett) have both made the point, but can anyone deny that the Government has been taking positive steps in order to correct the problems which occurred in tourism?
6.00 p.m.

There is a new Hotel Aids Act in the making. The Government has already brought a Travel Act before this Honourable House to regulate the position dealing with travel agents and tour operators. The Government has also brought Licensing Regulations in order to categorise hotels according to standards, and to make sure that standards are maintained.

The honourable Deputy Prime Minister spoke about the measures taken on the beach to make sure that there is proper regulation and control on the beach. And I should also state that the amount of money given to the Tourist Board has moved in the last two years, both 1982–83 and 1983–84, to $9 million and now to $11 million. The promotion techniques of the Government have changed considerably.

If honourable Members wish to see the performance of this Government in tourism, I refer then again to the very book of which the honourable Member for St. Michael South Central spoke, "The Economy of Barbados, 1946–1980" at pages 119 and 130. If I may read from page 119 and adopt it, in relation to the period 1977–1980, it says:

> "The three years immediately folllowing the recessionary phase were a period of extraordinary strong growth in tourist arrivals noteable for considerable diversification in marketing"

This is what it says about the last three years of DLP rule:

> "Between 1973 and 1976, Barbados' tourism suffered a dramatic slowdown and the international recession severely affected the gross arrivals in North America."

But the other side are not prepared to concede that the international recession is having its effect on the Canadian market, increasing unemployment to 11 per cent; that it has had an effect in Britain where there is the highest number of people ever out of work since the 1930s, and that therefore it means less money in their pockets, so they cannot travel; and also that it has had its effect regionally in the Caribbean, to the extent that it has affected Venezuela, itself now moving into the Monetary Fund, and Trinidad, restricting the outflow of exchange and limiting the movement of its people through its airport. We cannot be immuned to these conditions and that is why the Government had to move in time to implement adjustment policies.

Let me, in passing, make one correction to the speech of the Member for St. James South (Mr. N. K. Simmons). He is quite incorrect if he tries to categorise the number of expatriates in the hotel industry as being exceptional and forcing out our local people out of it. Only 56 work permits have been given to people connected with the tourist industry – 15 hotel staff, 2 aircraft engineering technicians, 5 air hostesses, 10 pilots, 2 resident managers, 9 airline managers, 10 tour representatives, 1 investor, 1 financial director and 1 golf professional. That is the whole list! The honourable Member is quite incorrect!

But it is not unusual for people to mistake facts in order to create impressions. I am not necessarily saying that the honourable Member does this, but it is the tradition of the honourable Member for St. Michael South Central to create impressions. But when you examine the facts, the facts speak for themselves and are completely different.

The Government has shown responsibility in its immigration policy in the tourism industry to the extent that over 60 per cent of the tourist plant is locally owned, and most of the managerial staff are local and regional people rather than expatriates.

Now, Mr. Deputy Speaker, that worsening economic position in the world, I said, has called for adjustment policies. But it has called for those adjustment policies not only in Barbados, but in the industrialized world as well. It has called for those adjustment policies in the developing world, such as Mexico, for instance, which, with all of its oil, has had to reschedule its debt and go to the IMF. Brazil, one of the strongest of the developing countries economically, has had again to go to the International Monetary Fund and ask for rescheduling of debt payments. Argentina, even without the folly of the Falklands War, has had again to go to the International Monetary Fund.

And let us think back a little while, Mr. Deputy Speaker. Within our lifetime in this Parliament, Great Britain has gone to the International Monetary Fund, France has gone to the International Monetary Fund, countries in the Eastern block have gone to the International Monetary Fund and used its resources in order to correct any inequilibrium in the performance of their economy. And where there is this stagnation in the world, where the recession has bitten so deeply and so widely and so comprehensively, it is not surprising that the Barbados Government must use its wisdom, and use every available policy and strategy, in order to stave off the worst from this country.

There is nothing wrong in the Government seeking assistance from the IMF. Building up the fear that the International Monetary Fund is some tremendous monster waiting to swallow up everyone and destroy you in the process is only political stupidness. What monster is eating away our sovereignty? Point to the areas in which we have lost our sovereignty! It is good to use pejorative language, but very difficult, however, to pinpoint any area in which there has been loss in sovereignty. We were in danger, if we were not careful in trying to set policies in line, of making Barbados' position worse off in the years to come, so we have nothing to be ashamed of.

Mr. Deputy Speaker, I have said in this Parliament that Barbadians have a lot to be thankful for. Within the Caribbean, there is no doubt that we have shown proper management of the public finances – as good, if not better, than the other Caribbean countries, and way above most of them.

There is no doubt at all that the amount of corruption, if there is any in this country, can never be compared with what happens in Latin America or the rest of the Caribbean. And I do not believe that there is any corruption, as the honourable Member has said. He has said that there is corruption without even pointing one finger or being able to accuse anybody of corruption – as usual, mere red herrings across the trail!

Still this Government in all this, has been able to do the following:

- The Heywoods Project is almost completed.
- We have constructed several elementary schools, primary schools and expanded in the secondary schools.
- We have built the Samuel Jackman Prescod Polytechnic, which the honourable Member for St. Michael South would have loved to have had the honour to have built, but he could not get the money from the then honourable Minister of Finance.
- We have started the Integrated Rural Project in Hanson and areas of St. Philip and in Christ Church, as well as the Spring Hall Land Lease Scheme.
- We have started and completed the Bridgetown Sewerage Project.
- We have finished the Spring Garden Road.
- We have built the Flour Mill and the Feed Mill.
- We have built several polyclinics.
- We have started and established the National Health Service.
- We have started work in reclaiming the Scotland District.
- We have expanded industrial estates at Grazettes, Grantley Adams Airport, Newton, Six Cross Roads, to name only a few, and now we are establishing new ones in Speightstown and in St. Thomas.
- We have completed the Oistins Project at a cost, I believe, of something like $6 million – and look at it! It is today a tribute to the honourable Deputy Prime Minister, a person selfless in his dedication to the public interest in this country.
- We have constructed major highways. We have built more tenantry roads under our Ministers of Communications and Works than had been built in 15 years of Democratic Labour Party rule.
- We have built the new Grantley Adams International Airport. They say it is their project, but we did it in seven years.
- We have increased old age pensions from $13, right up to $33 today.
- We have expanded the housing estates.
- We have increased sporting complexes.
- We have brought in new buses and condemned the Seddons.
- We have started an energy policy in order to own our own energy resources to bear in this area.

Rather than spreading rumours about some deal with Mobil Oil, which the honourable Member knows is factually incorrect, an impression again, why does not he let it be investigated? They who are supposed to be democratic socialists never took any measures in the interest of democratic socialism, in the interest of the people of Barbados, to own their means of production and their national resources; none whatsoever.

6.10 p.m.

Mr. Deputy Speaker, they asked about the national debt. Any Government that can point to a performance such as this in six and a half years should be proud to say to the people: "We have built the infrastructure and foundation for this economy to go to higher heights, and we can command the resources of our people for their future ownership." We are not losing our sovereignty; we are gaining our economic independence by the measures which the Government has been taking to safeguard the country. Why should we hestitate, I ask each Member, to pass on to future generations the responsibility for paying for part of the infrastructural and other productive developments which we carry out today?

Mr. Deputy Speaker, regretfully, there are a few ominous signs on the horizon. I detect in this community an unwillingness on the part of persons to acknowledge the achievements of others. Unfortunately, this trend started under the Democratic Labour Party. I hope that it can be stopped. We fail to acknowledge the outstanding contribution of Sir Grantley Adams to the extent that they would not even put a photograph of Sir Grantley Adams in the Barbados Workers' Union, despite his contributions.

Aside.

Hon. H. deB. FORDE: I understand it was taken down.

I detect a hardening in partisan attitudes in this country, something that we should all be against. True enough, we have differences, but let us concede when each side has got a point that is worthwhile. No one can doubt the contribution of the right honourable Member for St. John, but why belittle the contribution of the right honourable Member for St. Thomas, merely for partisan reasons, and hold him up as though he is somebody out to wreck havoc on Barbados?

I detect a willingness of people to misunderstand the welfare state. Both parties, and particularly the Barbados Labour Party, have expanded the welfare state to the position where today we should be one of the leading countries in the world in democratic socialism having effect in proper welfarism. The honourable Minister of Health (Hon. Dr. D. G. Blackman) will no doubt expand on that point.

I detect, too, a misunderstanding of the true meaning of independence. Too many people believe that independence means abusing other people; too many people believe that independence means boasting that this place is ours and nobody else has any right to it. Independence means a maturity of spirit. We must stop carrying chips on our shoulders and understand that we are now masters of our destiny, we are people carrying our fate.

So, Mr. Deputy Speaker, in agreeing to this Resolution, I think that the Government, in the circumstances, has performed as well as any Government could have performed. I want, however, to perhaps correct a few misunderstandings that have crept into the debate.

The honourable Member for Christ Church West Central (Mr. M. A. King), who is normally very careful on these matters, spoke at length on the Severance Payment Act. The Barbados Labour Party has a history of being on the side of the working class and the working man. It was the Progressive League and the Barbados Workers' Union, hand in hand, that broke the hold of the plantocracy, and it was the Barbados Labour Party in the forefront, and it would be folly in our position, having regard to our historical past, for us today to want to do things to hurt the working class.

It is not correct to say that redundancy payments in other countries do not attract tax. In the United Kingdom, they attract tax. The first £25 000 happens to be free; the next £25 000 after that is at half the rate, added on to the year's income; and the next £25 000 at three quarters of the rate.

But I agree with the honourable Member. This Government intends to bring an Unfair Dismissal Act, but again in the United Kingdom, as in other democratic social countries, there is a limitation as to how much you can get. In the United Kingdom, it is actually £7 500, so I think that the honourable Member's fears of this Government taking regressive measures in the area of workers' rights must be quite off the point.

What I would like to see the Government do is to use some of the money which will come from the taxation to increase its contribution to the Barbados Workers' Union Training College at Mangrove, which is performing an outstanding job. I would also like to see some of the money used for expanding the Training Board scheme which we have, but that is a project of the Barbados Labour Party, and I would like to see some of the money used as well for general improvement in the welfare of workers' education at all levels, tertiary and otherwise.

Finally, Mr. Deputy Speaker, in the short time available to me, just a word on the CARICOM Multilateral Clearing Facility. The honourable Member for St. Michael West (Mr. B. M. Taitt) is normally very careful when he cites figures, but he is quite wrong in assuming that there has been no growth or improvement in Barbados' position in manufacturing. Our exports to CARICOM have more than doubled between 1979 and 1982, $76 million in 1979, $126 million in 1980, $122 million in 1981, $141 million in 1982; and even if you discount for inflation, there has been a real and significant increase in the growth average.

I want to end my speech with a plea to the private sector and to the CARICOM Governments, particularly Trinidad and Tobago. Trinidad and Tobago and Barbados have grown closer and closer in economic integration. Our total imports from Trinidad in 1982 were 119 360 000, and our total exports were 86 826 000 if we include our re-exports. There is therefore no case for a licensing system existing between Trinidad and Tobago and Barbados where the visible terms of trade are in favour of Trinidad and Tobago. Therefore, Mr. Deputy

Speaker, for a Government such as ours, dedicated as we are to the political and economic integration of the Caribbean, though it may take years, I appeal to Caribbean manufacturers, I appeal to Caribbean Governments to forget protectionism. The stronger must carry the weak in order to strengthen the chain, but only together can we progress.

It is a mistake for Jamaica to have a two-tiered system in relation to CARICOM trade, as it is a mistake for Trinidad to have a licensing system which is discriminatory. We have played the game fair. I appeal to them to play the game fair, because I am not sure that as politicians we can continue to be magnanimous if eventually it hurts right into the pockets and bellies of our own constituents. A word to the wise is enough, and I believe that both sides of the political fence will close whatever partisan positions there may be on this particular point.

We have done well in CARICOM. I commend the initiative of the right honourable Member for St. John in having, at the failure of the Eastern Caribbean movement, established CARIFTA. We have, with him and after him, progressed. Let us not go into retrogression on this point. I appeal to the people of the Caribbean, in the case of international recession, to stand firm together and be on self-reliance, because that is the only way we can succeed and grow and retain our national and regional sovereignty. 6.20 p.m.

Mr. DEPUTY SPEAKER: The honourable Member for St. Michael East will now address the Chair.

Hon. Dr. D. G. BLACKMAN: Mr. Deputy Speaker, this historic debate in this august House has been characterized by intervention which ranged from the brilliant to the bizarre. We have heard from the honourable Prime Minister and we have also heard from the honourable Member for St. Philip South (Mr. H. A. Blackman) and underlining all, ignoring the partisanship, there has been a genuine concern about the future of this country.

I believe that it is an uncontestable fact that Barbados, like the rest of the world market economies, and the so-called centrally planned economies, finds itself in the throes of a severe recession, a recession which is qualitatively different from the one that confronted the Democratic Labour Party in 1973, and which the honourable Member for St. Michael South (Mr. L. E. Sandiford) erroneously stated that that Government dealt with.

If I am not mistaken about recent political history, Mr. Deputy Speaker, the last year of the Democratic Labour Party regime, which ended in 1976, saw a decline in production. In every sector there was negative growth in the economy and vanishing foreign reserves, and the State was presided over by a number of tired men bankrupt of ideas, tired men who were retired in a somewhat unsound state and were supplanted by "the Great Combination."

It is also, Mr. Deputy Speaker, an irreputable and historical fact that the Government of the Barbados Labour Party took a ship which was tossed on the raging tide of inflation and recession and steadied and sailed calmly until we encountered the present hurricane, the recession.

I believe, Mr. Deputy Speaker, that it is utter hyprocisy for anyone to suggest that the genesis of the present economic problems in Barbados is located within a single individual or within the Barbados Labour Party. I am not for a single moment trying to make out a case of infallibility for the Government – mistakes have been made here, because we are but men born of woman. But in a situation where all of our major trading partners are experiencing severe unemployment, where our major trading partners in the industrial world are locked in internecine combat, where trade wars and protectionist wars are breaking out right and left in a situation verging on chaos, it is absolutely unjust to accuse the Government of a small country finding itself in this situation of acting in a perverse manner. I believe that one of the speakers today was sufficiently forthright to admit that there is this particular problem: we have an economy that is externally oriented. It was a conscientiously developed economic policy by both administrations to develop this kind of economy. We were fully cognisant of the fact that it entails serious risks, in that when things beyond our control went wrong outside, they would have their repercussions internally. But in taking this risk, Mr. Deputy Speaker, we recognized clearly that there were greater material benefits for our people rather than pursuing a course of economic autocracy where our people were trying to live on the resources of Barbados and where we would find ourselves eating sweet potatoes and yams daily, and drinking can juice.

The moment we decided that the standard of living of our people should be raised to a level where they could have access to a wider range of consumer goods, we recognized that we were taking that particular risk that when the world vibrated to the diastole and systole of economic events, these vibrations would have their symmetrical effect within Barbados itself.

We also recognized, Mr. Deputy Speaker, that, long before Barbados became an independent country, the major countries of the world, recognizing the difficulties that the Depression of the 1920s and 1930s posed to trade, and consequently the untold human suffering that was experienced in these countries, embarked upon a programme at Bretton Woods to set up institutions, of

which one was the International Monetary Fund, in order to systematize trading within the world.

At the time that institution was set up, the founders did not anticipate the plethora of developing countries, with their diverting problems, that would later become members; and when such developing countries came to the International Monetary Fund for assistance, it was recognized that certain rules which were applicable to the developed countries did not necessarily work in a satisfactory manner in dealing with developing countries.

The Government of Barbados recognized this very clearly, and, between 1977 and the present time, this Government has perennially made statements within the Second Committee of the United Nations calling for improved and more flexible standards relating to the conditionality of the International Monetary Fund. We have also in other multilateral institutions, like the United Nations Development Programme, argued that the criteria for granting assistance unfairly discriminated against a middle level income country such as Barbados. 6.30 p.m.

I am at pains to mention that UNDP because no one would argue that Barbados could desist from contributing to the United Nations Development Programme, because the rules under which assistance is given to developing countries operate unfairly against Barbados. All that Barbados can do in the circumstances is to join together with other developing countries and make a persistent and determined thrust to change these rules within the UNDP in order to get favourable terms of assistance from this multilateral organisation.

By parity of reason, Mr. Deputy Speaker, it is therefore the height of absurdity to suggest that because there are certain aspects of the conditionality obtaining in the IMF that may not be particularly congenial to some developing countries, that Barbados should opt out of the IMF altogether; for certainly, Mr. Deputy Speaker, this is the logic of the repeated critique of the members of the Democratic Labour Party.

If the IMF is an inherently diabolical institution, then you must say, you are committed to saying, that if by some mischance you ever came to power again, you would forever and amen sever your ties with the International Monetary Fund. And I challenge you to make that assertion. You dare not make such an assertion within the four corners of this room or within the confines of Barbados, because you clearly recognised when you opted to join the International Monetary Fund that it was important for a proper and orderly world economic order to have such an institution.

Barbados will continue, as it has done in the past, to fight for improved terms of conditionality. There is no point inveighing against the institution ceaselessly. What we need to do is to formulate, and the Ministry of Foreign Affairs has been doing this for years now, the appropriate strategies to ensure that these multilateral institutions operate in a manner that is consistent with the well-being of the multiplicity of developing countries that are among its membership. This is the constructive approach that this Government has embarked upon.

In determining whether this Government has been successful in dealing with the admittedly serious economic problems that confront it, one has to look at how this Government has managed its external affairs. Since my contention is that the locus of the problem is basically external, one has to look at how the Government has conducted its external management to determine whether it has demonstrated competence or not. And when one looks at the foreign reserves of this country; when one looks at the fact that people in Barbados, unlike many other developing countries caught up in the toils of this international economic recession, have available food; when one recognises that the Government of Barbados has not gone cap in hand and asked any financial institution to reschedule its debts; when one looks at the external debt and sees that it is well within accepted bounds in relation to exports, there can be no other conclusion but the inescapable one that there has been competent external management of the economy. That is the heart of the problem!

It is true that there are problems in relation to the Multilateral Clearing Facility, but I believe that it is stretching partisan politics too far to suggest that the Minister of Finance or the Deputy Prime Minister is responsible for bankruptcy in Jamaica, or Guyana, or any of these countries; for certainly the criticism of the Government in its failure to collect monies owed to it by its creditors in these countries is nothing more but an imputation of responsibility of Ministers of the Government of Barbados for the bankruptcy of these countries.

This Government has been accused for everything under the sun. When canes are burnt down, the Government is accused for it. When it fails to rain, the Government is blamed for lack of precipitation. Government has been blamed for everything under the sun; and now, implicitly, the Government is being blamed for bankruptcy in Jamaica and Guyana. That is precisely what you are saying when you claim as a Democratic Labour Party spokesman that it is somehow the Government's responsibility for failure to collect the debts owed to it.

Now, Mr. Deputy Speaker, much has been said about regressive taxation in Barbados and anti-working class policies of the Barbados Labour Party. I believe, Sir, that in the last analysis, after we have talked about efficient management and competence, we have to

examine the results of this management in human terms. I believe Mr. Deputy Speaker, that the record of the Barbados Labour Party is exemplary. I believe that in the area of social policy, it is a record that is vastly superior to that of the Democratic Labour Party. Throughout all the economic difficulties there has been an unswerving commitment to social justice; there has been an undeviating path cut towards the establishment of the welfare state.

Laughter.

Hon. Dr. D. G. BLACKMAN: You may laugh as you like. I consider such laughter to be nothing more than an attempt to conceal the embarrassment of a party that has repeatedly trumpeted to the people of Barbados its supposed concern for poor working class people in this country.

A few weeks ago, this Government took the bold step to remove indigent people from the almshouses of this country, and there were spokesmen from that side who argued that these poor old people should remain in the almshouses. I believe such people should hang their heads in shame. When a progressive community-oriented policy was proposed, voices could be heard emanating from that side to the effect that it would be better for these people to remain in these institutions.

Which one of you would want your mothers or fathers, or aunts or uncles, or indeed any relative or friend whatsoever, to languish in shame and disgrace in an institution, whether he is there for socio-economic reasons, or as a pauper? Which one of you would want that for your loved ones? I believe that none of you would want that for your loved ones. Therefore, why would you wish it upon those poor unfortunates who live in these institutions?

6.40 p.m.

One of the important things that the international recession has taught us, Mr. Deputy Speaker, is that it is possible to conceive of social policies which are not only progressive but which are cost effective.

The honourable Member for St. Michael North West (Mr. L. A. Weekes) an honest man of integrity, though he holds some mistaken views, talked today about the conditions of the Geriatric Hospital. He said that there were features in the hospital less than desired.

Having said that, he must know that these features are largely the result of the fact that that institution is in many respects used for purposes other than that of a hospital. He must know this. And since I believe he is a man of an impeccable integrity, I find it passing strange that he could not be driven by the logic of the position by accepting that such persons who are not sick ought to be removed from these institutions.

He also talked about the Drug Service. He seemed in one breath to be suggesting that the Government is being unnecessarily parsimonious, and, in the next breath, he was castigating the Government for spending too much money on Health.

I really am at a loss as to what position he really holds. He attacked the Government for not wanting to spend enough money and creating problems in the hospital. And when the Government, through the Health Levies, seeks to raise money to eliminate those problems, he is then saying that the Government is spending too much money. That, Mr. Deputy Speaker, is symtomatic of the confusion of the Democratic Labour Party.

I want to assure the honourable Members of this House, Mr. Deputy Speaker, that there will be a National Health Service, that it will be a community-based service, and that it will be a service manned by a team of professionals throughout the length and breadth of Barbados.

We will end the relationship between patient and doctor where the patient goes to the doctor in a spirit of inferiority and looks at the doctor as some kind of guru whose word must be accepted without question. We believe that the doctor is a worker, and just one of the workers in a team – the team of people delivering health care, which must contain room for laymen. Laymen have a view.

Mr. Deputy Speaker, I am utterly opposed to a system of medical practice that is akin to carpentry. I am not saying this in any way to denigrate the medical profession, but it is a fact that there are many doctors the world over, who, through mistakes in methodological approaches to their patient operate like carpenters. Because if the body of a man is seen to be basically no different from a piece of board, if you believe that a man who you have to cure cannot think and cannot feel but simply appears to be lectured to, and for medicine to be delivered from on High, then, in fact, you are doing a form of carpentry.

We want to move away from the tradition where the doctor is seen as an artisan to where the doctor, on the other hand, is perceived as one of a team of health professionals which includes laymen, because it is men who do not know anything about medicine that doctors have to deal with, and it is these men who must explain the perspective of the laymen to the doctors.

That is a community-based-programme – a new concept in which the total population – the professionals, the lay doctors, nurses, physiotherapists, pediatrists or

what have you – will be intimately involved in an interactive relationship with the patient, and where we will end, for all time, the situation where the patient is going to a tribal chief who operates like a medicine man. The approach to medical practice as a form of carpentry will be abolished in this new philosophical scheme which will be implemented within the Ministry of Health.

Mr. DEPUTY SPEAKER: The honourable Member will have two more minutes in which to conclude his speech.

Hon. Dr. D. G. BLACKMAN: In conclusion, Mr. Deputy Speaker, it is crystal clear that this Government, in spite of its difficulties, has managed rough external problems in a masterly way. It is also equally clear, Mr. Deputy Speaker, that, in spite of the difficulties, this Government has not deviated by one centum from the historic mission of the Barbados Labour Party – to lift up the oppressed – in other words, the practice of democratic socialism, as my colleague calls it; call it what you will.

There is no paralysis such as that which set in when a new unprecedented situation confronted the Democratic Labour party in 1973, and from which this great Party had to rescue them. What has happened is that the Great Combination has now put its head to the grindstone and men are working harder than ever to deal with the difficult problems that confront this country. The programmes that this Government has achieved have been enumerated by my friend.

Mr. Deputy Speaker, my heart tells me to hold forth and to disobey your ruling, but out of respect, I cannot do it. I thank you very much for your indulgence and I say to you, Mr. Deputy Speaker, that we will continue to fight the good fight.

Applause.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: It is at this point, Mr. Deputy Speaker, that I propose to take the dinner break, just for half an hour, Sir.

I therefore move that this sitting be suspended until 7.20 p.m., Sir.

Hon. Dr. R. L. CHELTENHAM: I beg to second that.

The question was put and resolved in the affirmative, the House dividing itself as follows:

AYES: Rt. Hon. J. M. G. M. ADAMS, Hon. H. B. St. JOHN, Hon. L. S. CRAIG, Hon. L. B. BRATHWAITE, Hon. Miss B. A. MILLER, Hon. Dr. R. L. CHELTENHAM, Hon. DeL. O. BRADSHAW, Hon. H. deB. FORDE, Hon. Dr. D. G. BLACKMAN, Mr. L. L. SISNETT and Mr. J. G. ODLE – (11).

NOES: Rt. Hon. E. W. BARROW, Mr. L. E. SANDIFORD, Mr. H. A. BLACKMAN, Mr. B. M. TAITT, Dr. R. C. HAYNES, Mr. W. O. FRANKLIN, Mr. N. K. SIMMONS, Mr. M. A. KING and Mr. L. A. WEEKES – (9).

6.50 p.m.

On Resumption:–

Mr. DEPUTY SPEAKER: This sitting is now resumed. The honourable member for St. John.

Rt. Hon. E. W. BARROW: Mr. Deputy Speaker, in his closing paragraph of the Financial Statement and Budgetary Proposals, the right honourable Member for St. Thomas (Rt. Hon. J. M. G. M. Adams) purported to quote the late revered President of the United States of America. I am not in a position to say whether he was quoting accurately, but I concede the quotation, his having probably had more recent access to that particular speech than I have had.

He said we have nothing to fear but fear itself. In his message to Congress on January 15, 1941, the same late revered Franklyn Delano Roosevelt included in his message to Congress these words:

> "The basic things expected by all people of their political and economic system are simple. They are equality of opportunity for youth and others, jobs for those who can work, security for those who need it, the ending of special privilege for the few, the preservation of civil liberties for all, the enjoyment of the fruits of scientific progress for a wider and constantly rising standard of living."

President Roosevelt went on:

> "These things so long denied the masses cannot come automatically. They must result from an economic relationship in which all have a shared interest and concern."

What went on during the past three days in this House, with all the hysteria and vitriol poured out to vindicate the position of the Government in the sad state with which we find ourselves now confronted, had nothing to do with what the people of this country expect of their political directorate, which is not a pejorative term as some of the people on the other side seem to think; it is just a description of the people who for the time being hold power. No matter what the political

directorate is, the people of this country expect something better than the charade, the exhibition, to which we have been treated – of bad manners.

Mr. DEPUTY SPEAKER: I do not want to interrupt the honourable Member.

Rt. Hon. E. W. BARROW: But you are interrupting, Mr. Deputy Speaker.

Mr. DEPUTY SPEAKER: But I will have to interrupt the honourable Member. Such remarks by the honourable Member certainly reflect on the Chair.

Rt. Hon. E. W. BARROW: They do not, Mr. Deputy Speaker, with all due respect. Not your bad manners, their bad manners!

Mr. DEPUTY SPEAKER: The position of the Chair is to control the Members in the Assembly; they must perform within the established principles of this Chamber. I would rather the honourable Member use words that do not reflect on the Chair.

Rt. Hon. E. W. BARROW: I should like to assure Your Honour that I would be the last person to reflect on Your Honour, because I have never known you to exhibit any of the bad manners that I witness in here from time to time, so I just wish to make my position clear.

Passing strange it is that when we begin to tell the truth the truth is not accommodated. Let me use the words of the immortal Nat King Cole, it was a honky tonk parade, it was a charade.

When your humble servant, Mr. Deputy Speaker, introduced Financial Statements and Budgetary Proposals into the parliamentary practices of Barbados, way back, I think, in 1962, at some later stage, two or three years later, at the instance of Members on both sides, we decided to broadcast the speeches. The speeches which were broadcast were the speeches made by the Minister of Finance, whoever he was, and by a person on behalf of the Opposition benches, a person or persons on the other side.

The principle which was enunciated and pursued at that time was that there should be equal time to the Government and to the Opposition for the presentation of their views on what was going to happen in the economy, what the people of the country could expect of the political directorate in providing the matters which the President of the United States directed the minds of the members of Congress to in 1941.

At that time, Mr. Deputy Speaker, there were two political parties in Opposition. There was the Conservative Party and the Barbados Labour Party, and the Official Opposition was the Conservative Party. Since misrepresentations have been made by no less a person than the Leader of the House as to what happened on that occasion when we first introduced these procedures, the two official parties allocated the time available to themselves, and a spokesman for each party presented his views in the times which they had allocated for themselves.

There was an independent person in the personage of the then Member for St. Joseph, the constituency which you now have the honour to represent, Mr. Deputy Speaker, and he was given very little time; and he had hardly begun his speech when the guillotine, the curtain or whatever you choose to describe it as, Sir, came down. I said that I thought it would only be fair if the Member, who was an Independent and who did not belong to a political party at that time, should be given an extension.

In subsequent years, the Minister of Finance introduced his Budgetary Proposals and, by that time, television had come into vogue. The Leader of the Opposition at that time, who is now the Minister of Finance, spoke; and then we found that the Leader of the Opposition complained that he was not getting prime time, although he was getting equal time. I then proffered to him that if he wanted to speak on the same day that I delivered the Financial Statement and Budgetary Proposals, he could do so. There was some skirmish of protest from amongst his members, but he got up and said he was ready anyhow. Nobody forced the then Leader of the Opposition to speak immediately; he said he was capable of speaking immediately, and he spoke immediately.

On another occasion, the Leader of the Opposition, as our Rules then allowed spoke for a long time, and our Rules and Standing Orders still allow for the first person speaking on the other side other than the Government side to speak indefinitely. Those are still the Rules of this House in relation to a reply to the Financial Statement and Budgetary Proposals or any debate on a Second Reading speech. Our Standing Orders provide, and our procedures in relation to the Budget also provide for an unlimited amount of time, but in so far as the exposure on television was concerned, what we said was this. The person replying can speak at length, but he would have no longer time on radio and television than the Minister himself, and that was the end of that.

Those are still the Rules of this House, but during the past three or four years, we have had a departure, that we must have a charade, people must be deprived of watching their favourite programmes for which they now have to pay an increased fee as a result of these Proposals. The rights of the people of Barbados, apart from the rights of the Opposition, are also being eroded,

because they either have to switch off their televisions, which if they do not like to listen to me or any other honourable Member they can do now, or they have to sit through the tedium of people getting up and abusing their political opponents and speaking of how the Democratic Labour Party dispensation did not do this and did not do that, and that kind of thing.

The people of Barbados are interested in knowing what the Government has in store for them either by way of taxation or by relief. The people of Barbados are entitled to know what their representatives on the other side, whatever that side may be, and from the principal spokesmen – and these are the people whom I consider most competent to deal with matters of this kind – think they should get up and, succinctly and in the time afforded, allow the people to know what their reactions to the Proposals are. The people can read the rest in the newspapers. But this is an exercise in narcissism. This is an exercise in vain-gloriousness. This is an exercise of people who are enamoured of their own rhetoric.
7.35 p.m.

But since, Mr. Deputy Speaker, so many misrepresentations have been made, in the short time that I have available at my disposal to reply – I cannot deal seriatim with all the allegations which have been made – it is necessary to set the record straight on important matters relating to the performance of the economy, and the performance of the political parties who from time to time have constituted the Governments of this country.

I do not have to go back prior to 1961, because there was no Minister of Finance before that, and I would have to be criticizing the Financial Secretaries who, during the Labour Party regime up to 1961, were almost complete in control of the finances and the fiscal affairs of this country.

In the Report and Financial Statement of Accounts of the Central Bank of Barbados for the year ended December 31, 1976, the year in which the people on the other side would have you believe is the beginning of creation of this country, no less a person than the right honourable Member for St. Thomas himself, and all his other minions, not necessarily inside this House, got up and said how bad things were – there was no money in the Treasury and all of that kind of nonsense.

Reading on page 3 of the Economic Review Report, published during their term of office in 1976, not during my dispensation, these words occur:

> "After three years of economic recession, output rose in all major sectors of the Barbadian economy in 1976."

We heard that it was a state of decline.

> "Modest gains were recorded in the dominant export sectors, sugar and tourism, and there were substantial increases in those sectors which produce for the home market."

And I enjoin the honourable Member for Christ Church East (Hon. Dr. R. L. Cheltenham) to listen carefully to these words and go and do likewise.

"There were substantial increases in those sectors which produce for the home market".

That is in 1976.

We are not looking down the road to 1990. I understand that in the year 2001 we are going to get a new hospital, and in the year 1990 we are going to satisfy the domestic demand for agricultural products; but in 1976 these words were printed by the Central Bank of Barbados:

> "There were substantial increases in those sectors which produce for the home market, domestic agriculture and non-export manufacture."

We have to wait another seven years before we can get back to the position that we were in in 1976. I am not going to give my opinion on anything. I am just going to give the facts and quote. I am going to quote from the Prime Minister himself; no less an authority. The report says:

"Where Gross Domestic Product has provisionally estimated to have increased by 4.8 per cent....." and some beknighted Member on the other side, and I am not being pejorative, said that it had declined, giving the lie to the Central Bank – "the rate of inflation slowed remarkably. A 3.9 per cent increase in the retail prices was one-quarter of the 1975 rise and about one-tenth of the record 1974 rate."

Now, who brought it down? "One-tenth of 1974", when we had the unprecedented actions of OPEC and it was only 3.9 per cent as the running average for the year because between September 1976 and December, probably in anticipation of the dictates of the International Monetary Fund, the imports into Barbados of unnecessary consumer durables rose at an unprecedented rate in those last four months of 1976, because if you go back to the Central Bank Report, on the rate of inflation, you will see that and in August/September 1976 it was down to 2 per cent. It has not dropped back down the since. It is now up to 14 per cent. But the running average for the year was 3.9 per cent, so why do we continue to say things that are untrue?

I just want to give the lie once and for all to this myth that there is no money in the Treasury. Anybody who understands finance will understand that when you are dealing with a Government, a Government which understands what it is doing, there will never be a situation in which there is no money in the Treasury; because every day you have to pay out some kind of money, whether it is for biscuits, for the Geriatric Hospital, or whether it be salaries for civil servants at the end of the month. There is no situation in which that can occur, especially with a Central Bank in a country.

Do you know where this expression first arose? In 1960. In 1960, the then Premier of Barbados, speaking about his own management, said that we had to be careful. You can go back to the debates and see where the then Premier, my very good esteemed friend, a brilliant doctor, but no financial wizard, started this fashion – let me call it a fashion – by saying about his own regime that by March there would not be any money in the Treasury.

That is a governmental absurdity, because the Government is not a housekeeper living on a fixed income like some of the unfortunate workers in this country – working for $150 a week and now confronted with these increased bus fares and so on – because a Government has the facility, when it does not have money, of coming to you and to me, Mr. Deputy Speaker – more to you than to me – and getting what it wants from us. So there could never be a situation where any Treasury is dry. We may be dry, and we are likely to be dry soon, but not the Government. The Government always has the facility to extract what it needs for running the services of the country by coming to you and to me.

If I was a good Barbadian I would say "to you and to I", but I did not go to that kind of school. I have to say "come to you and come to me". But Barbadians, when they want to large off and use that sea water English, it is "you and I".

But they come to you and me and push their hands into our pockets and get the money which they are going to spend well or spend badly. It is as simple as that. I am sure the right honourable Member for St. Thomas is going to agree with me on that, so let us stop this business about when the Labour Party took over in 1976, the Treasury was dry. Far from being dry, the Treasury was very fat!

We did not have a Central Bank. The Central Bank, even if it does not want to go to the taxpayers for political reasons, can print money for the Government; and by ways and means advance it by various devices, so let us have no more of this talk about any Treasury being dry. Let us have no more talk about the high rate of inflation. As a matter of fact, at no time since this Government has been controlling the affairs of the country have they got the rate of inflation down to 3.9 per cent – far less the 2 per cent which it was in 1976.
7.45 p.m.

Mr. Deputy Speaker, there has been a considerable amount of discussion on the International Monetary Fund, and sitting on this side I wondered why the Prime Minister did not designate certain persons to speak on certain subjects with which they were familiar.

The last speaker on the Government side, the honourable Minister of Health (Hon. Dr. D. G. Blackman), was very careful; because the last speaker reminded me of one of the senior officials of our West Indian University, who is also a lay preacher, and whom I had the pleasure of hearing deliver the same speech, once in church as part of a normal ecumenical service, twice at the university functions and once to the Rotary Club in Jamaica. It was the same speech, but the title was changed, and it was a perfect speech on each occasion. The honourable Minister of Health did not trespass into deep waters. He skirted briefly on the regions of the International Monetary Fund, and I think that skirting is a correct expression; he did not get too deeply into it, but whatever he did have to say was reasonably accurate.

There is a complete misconception about the International Monetary Fund, and it is almost unfortunate that Members of the House of Assembly did not familiarise themselves, as the honourable Minister of Health did, at least with the history of the International Monetary Fund so that they could understand "the implications of our arrangement", the expression used by the Minister of Sno-Cones and First Lord of the Admiralty.

The Democratic Labour Party at no time made any arrangements with the International Monetary Fund. In 1970, even before we established a Central Bank in Barbados, which only got off the ground in 1972, six years after independence, because the pundits from the Bank of England were going backwards and forwards having nice vacations in Barbados helping us to draft the Central Bank law – six years after they had started this exercise, eventually we got the approval of Parliament for the establishment of the Central Bank, but we joined the International Monetary Fund in 1970, two years before the Central Bank. And to go to the end and come back to the beginning, at no time did the Government of Barbados, the Cabinet of Barbados under my chairmanship, go to the International Monetary Fund for any kind of assistance or arrangements whatever.

We are the people who were supposed not to be managing the economy well. We are the people who went through the 1973–1975 oil crisis where prices rose 400

percent. We never went to the United States, to the United Kingdom or to the International Monetary Fund for any kind of assistance whatsoever.

As a matter of fact, there is a picture, which I will show to you when you come to visit me at my office, or at Bathsheba in your constituency, Mr. Deputy Speaker, of Mr. Dean Rusk and I standing on the roof of the State Department when I visited Washington in 1968 at the invitation of the late President Lyndon Baines Johnson. Mr. Dean Rusk said that he knew we were about to join the Inter-American Development Bank, he knew that we were considering joining the IMF and he wanted to inform me that the President of the United States was willing to pay the subscription for Barbados.

The subscription to the IMF was something like US $13 million. They call it a quota. Far from the Fund helping Barbados at that time, I bought gold at $35 an ounce eleven-tenths fine, because that seems to be super fine, but I have really never understood it. (I must speak to the Prime Minister quietly, because he is not a dealer in gold, but he understands precious metals and stamps).

Asides

Rt. Hon. E. W. BARROW: (You use to deal in gold! I understand the origin of his expertise; he was a gold-dealer!) Anyhow, we bought gold at $35 an ounce – the United States has since come off the gold standard – so we could pay our subscription partly in gold, party in US dollars and a small proportion in our own currency.

What Dean Rusk was telling me was that the President of the United States wanted to pay our subscriptions, and he repeated it, and I said" what is that building over there" – I had pointed to the Lincoln Memorial – and he said " That is the Lincoln Memorial". I knew that because I had actually taken a picture there the same morning. And then I said, "That tall column over there"; he said, "That is the Washington Memorial". Then I said, "The round building with the dome down by the river"; he said "That is Jefferson". When I had exhausted all the things that were visible, he asked me the question again, and I said "Mr. Secretary, I heard you the first time, but we have a saying in Barbados that if you cannot afford the subscription, you don't have any right in the club". And that was the end of the conversation.

When I came back to Barbados subsequently, I paid our subscription to the IADB, I paid our quota to the IMF, which as I said was about US $13 million – chiefly in gold – and that is what was drawn down in 1977 after we emitted the Government of this country.

The thing about the IMF is that people talk about it as a place where you can borrow money. The IMF does not lend you money, in the technical sense, in those early stages. What the International Monetary Fund allows you to do is to purchase foreign currency, but you have to get some of your own money to purchase this foreign currency so that your holdings, basically, are not diminished, but your holdings of foreign currency, which the Central Bank publishes as part of its foreign exchange reserve, includes your IMF quota; you purchase it with Barbados' money and they expect you, within a very short time, to pay this money back to the Fund.

The International Monetary Fund, Mr. Deputy Speaker, is about one thing, and one thing alone chiefly. It is about devaluations and revaluations and efforts being made to prevent people from devaluing their currency to the detriment of their trading partners. That is the genesis of the International Monetary Fund at Bretton Woods in 1944. Without going into a lot of history, most of the countries in Europe had come off the gold standard, but not the United States of America, and Professor John Maynard Keynes and a gentleman called Mr. White, a very brilliant American economist, put up the scheme that you should have parity in value which would only fluctuate within one or two per cent. There are over 140 or 150 nations in the Fund, most of them non-Iron Curtain countries because the Soviet Union declined membership. But the first thing a country did on joining the Fund was to put their quota in and call it their reserve, and we fixed the parity of the Barbados dollar, say, to the equivalent of Bds $2, one US dollar, and US $35 bought one ounce in gold. The actual quota was expressed in ounces of gold. But America has since come off the gold standard and most of the exchange rates are now floating exchange rates.

7.55 p.m.

But we, in 1975, came off the sterling exchange standard, and I think everyone would agree very advisedly, because the United States of America was increasingly becoming our major trading partner, both from the point of view of visible and invisible trade, such as tourism, and we decided to tie the Barbados dollar at Bds $2 for $1 United States currency, with the usual margins of 2½%, 3% on either side due to daily fluctuations in the financial market.

It is necessary to understand that the basic reason for the establishment of the International Monetary Fund was to operate against the un-controlled competition in devaluations which had taken place during the pre-War period. And – let us not fool ourselves about it – we were now entering into a stage of controlled capitalism, controlled by the United States of America. And when the United States authorities or representatives at Bretton Woods in New Hampshire promulgated the General Agreement on Tariffs and Trade and the establishment of the International Bank for Reconstruction and Development and the International Monetary Fund, these were all the

engines by which the machinery of the over-expanded American economy could guarantee unrestricted trade with people who were not as well off as they were, but to the detriment of the other industrial powers. Fortunately for the European countries, General George Marshall soon thereafter promulgated his plan for large scale assistance, running into billions and billions of dollars, for the restoration and rehabilitation of the European economies.

Today, when the President of the United States, President Reagan, speaks about giving $10 million to the whole of the Eastern Caribbean, as a package of aid under the Caribbean Basin Initiative, I can only say that the President of the United States must hold the people of this region in contempt, because $10 million would amount to about two weeks' bus fare to the average Barbadian working man, *pari passu,* when you distribute it amongst the population of the other countries in the Eastern Caribbean. So it has to be derisory.

I am flabbergasted when I see people, who should know better, should be more analytical, praising the Caribbean Basin Initiative, which is only a disguise for the military support which is being given to the Reagan regimes in Central America. One of the countries was not even in the Caribbean, it was in the Pacific! It was so thin, the justification for this sending of arms, as we are now witnessing in Nicaragua, El Salvador and so on.

We seem to have a certain degree of contempt for our own people, or lack of regard. The late Dr. Eric Williams put farward a scheme way back in about 1974 or 1975 for $2 billion for the Caribbean countries who were in CARICOM, the Caribbean Community, and all of this money was going to be raised right here in the Caribbean, the Trinidad Government putting up a substantial amount of the money. The scheme included plans for indigenous manufacturing and processing of our raw materials, by virtue of an aluminium smelter in Trinidad and Tobago, and it included a package for the Caribbean Food Plan to feed our people in the Caribbean with an anchor in Belize and the other anchor in Guyana.

If people had paid serious attention to Dr. Williams' plan, I daresay that none of the countries in the Caribbean would have found themselves in the predicament in which they have found themselves today.

But we hear about President Reagan's Initiative. The first person who used the expression, "The Caribbean Basin" was Dr. Eric Williams in his house in Trinidad in the presence of the now President of the Caribbean Development Bank and myself. It had never even appeared in the textbook. It was taken up subsequently by Carlos Andres Perez, the President of Venezuela. It was then taken up by President Echeverria Alvarez the President of Mexico, who put forward, as the honourable Deputy Prime Minister (Hon. H. B. St. John) can tell you, the whole concept of the Caribbean Shipping Service.

I have estimated that we are frittering away something like $80 million, not on the Black Star Line that the honourable Minister of Health is trying to tell me that we should have – that has past; it was a brilliant dream by Marcus Garvey – but we are spending $80 million – this is how we are being exploited – in shipping costs in bringing goods into Barbados and taking goods out of Barbados.

But it was these former leaders, President Alvarez, Carlos Andres Perez, and Eric Williams all had the idea that we could get down our buckets here in the Caribbean sea and do something to develop ourselves.

I now turn, Mr. Deputy Speaker, to the role of the IMF in present day international economics and politics. To get it out of the way, about two years ago or two and a half years ago, I said on the Floor of this House to the Minister of Finance, the right honourable Member for St. Thomas, that, if he were not careful, he was going to pull this country into the vortex of the International Monetary Fund.

I may not be quoting myself in the precise words which I used, but honourable Members would remember that the Minister himself, the same Minister, the same Minister of Finance who delivered his speech two days ago, said that he thanked me for reminding the people of Barbados that if they were not careful, they would come under the tentacles of the IMF. And I got to my feet and told the right honourable Member that I was not warning the people of Barbados, I was warning him that he was going to put us into the vortex. And the right honourable Member smiled in his usual way and sat down.

Now, I hear today that the IMF is no diabolical machine! But ask the people in Chile; ask the people in Argentina; ask the people in Peru; ask the people in Sri Lanka, ask Mr. Burnham, who threw them out the day before yesterday. The IMF has ceased to concern itself with par values. It abandoned that a long time ago. It is a free-for-all now on exchange rates; a free-for-all!

But countries, for reason of enlightened self-interest, particularly the European countries, do not devalue their currencies in a kind of rat race in order to gain a competitive edge over the other industrial countries. It is almost self-regulatory. But the IMF has abandoned that road. And, I am saying that the IMF is now an instrument of United States Government policy, and that is what we object to.

8.05 p.m.

We joined when we had to let the international community know that we had a stable currency. That was

our only reason. We put in our money there, we left it there, we went through crisis after crisis, we never had any Stand-by arrangements, we never had any Compensatory Financing Facility from the Fund. We had no conditionality, because we were not there.

Every two years or so they produced a country report on the members and a team come down here, not to discuss any arrangements, but we were seeing signs on the wall and they were suggesting that we might want to use the Fund. The right honourable Prime Minister know this, because he has quoted it in here, and he said he agreed with me.

They sent down a gentleman called by Mr. Gunther Weisser.....

(Rt. Hon. J. M. G. M. ADAMS: A terrible fellow).

Rt. Hon. E. W. BARROW: You say he is a terrible fellow? I agree with you! The Prime Minister says he is a terrible fellow. Well, there are terrible people in that Fund. The Prime Minister is now telling me he is a terrible fellow. That man had the nerve to sit down in my office opposite me and tell me that if we ever came to the Fund, we must have devaluation, removal of price controls, freeze wages, control bank credit, control the Government deficit, abolish subsidies and have a rigid control on wage rises.

The terrible man that the Prime Minister just described, do you know what he told me? He said all four wheels on the coach have to go or the coach cannot move. I said that was all right with me, because he was in the coach but I was not getting into that coach, so he did not have to worry about whether the coach moved or did not move. The Prime Minister knows that is what I told him. We do not travel in that kind of coach, either first class, second class or no class. We do not travel with those kind of people.

I am saying that in a diabolical institution – and this is what we are against. As a matter of fact, I am beginning to wonder whether we should not grab all our money and run to the bank laughing all the way, if we have any left inside there, and leave them out altogether. Because any country that is concerned about sovereignty and independence cannot continue to exercise sovereignty and independence as long as you get into the tentacles of the International Monetary Fund, so let us get that clear once and for all.

We joined the International Monetary Fund during a regime when the parity values were important in international trade for international trade. Those reasons no longer exist, and therefore, as soon as we possibly can, we will have to get out of the tentacles of the International Monetary Fund.

Sir, the International Monetary Fund's standard of desirable economic policy is uniform and predictable. They believe, first that you must have abolition or liberalisation of foreign exchange and import controls. Why? Because that is the policy of the United States of America, a free-wheeling, free-dealing, free trade philosophy of the monetarists in the United States of America! This is the stage that Germany reached under Bismark in the 1870s, the British in the 1840s, and fifties, and they were then dictating the terms of world trade.

The IMF also believes in devaluation, and I am going to read out very quickly where, in the same report tabled by the Prime Minister, they advert to the fact that devaluation had been discussed and that something has to be done to stiffen the policies, to stop rises in wages and freeze the living standards of the workers.

Mr. Deputy Speaker, today is the 29th day of April. Today is the day the Teddy Boys of the IMF have their picnic. I should like to repeat that. Today is the day that the Teddy Boys of the IMF have their picnic, and you will find on page 26 of the document tabled by the right honourable Minister of Finance these words:

> "Attached hereto is a letter from the Prime Minister and Minister of Finance of Barbados and the Governor of the Central Bank requesting a Stand-by arrangement and setting forth the objectives and policies that they intend to pursue for the period, the policies and measures that the authorities of Barbados intend to pursue for the first period of this Stand-by arrangement until the 29th day of April, 1983."

That is today, so you see this debate has to end today? Because tomorrow, it is a different, as the United States citizens say, ball game altogether! Today is the day the Teddy Boys have their picnic, and I am surprised that the Prime Minister has been able to stay in the Chamber so long, because they must be fuming and fretting wherever they are, waiting for him to come to tell them what further he is going to do after he gets away with this one, after he puts this one over us here in the House. I hope it is not May Day he is proposing, because today is the day that they say is the day of reckoning. Do you think they are nice?

I go back to page 2, where they say that the 1981 consultation was concluded by the Executive Board on December 7, 1981. It is not last year, it is as far back as 1981. What we find very interesting is that on page 4 of the report, which the Prime Minister tabled, they say:

> "Domestic activity was sustained for a time but by a continuing construction boom in the private sector, and by expansionary fiscal and

credit facilities. Consequently, imports continued to rise strongly in 1981."

On page 6 of the same report they say:

"In addition, the Central Bank borrowed some U.S. $45 million from foreign commercial banks in order to maintain gross official reserves at the equivalent of two and a half months of retained imports. A rising proportion of these gross reserves consists of illiguid claims on CARICOM countries."

Frequently we hear the Governor of the Central Bank and the Prime Minister saying that our official reserves are healthy. In the United Kingdom the joint stock banks – Lloyds, Westminster, National Provincial, Barclays and whoever the other one was – used to drive around a van and do their accounts on different days of the week, so when they put, "Cash in Hand, £10 billion," the next day the van went to Barclays Bank for a million and they put, "Cash in Hand, £15 billion," only five was theirs and ten was in the van. They used to call that window dressing, and Mr. Dalton, as Chancellor of the Exchequer, put a stop to that and made them make up their balance sheets on the same day every week – and then they were in deep financial trouble.

What Governments do is borrow money as demonstrated here, say $50 million from, say, the Orion Bank, and that immediately goes into their general gross official foreign exchange reserves. But the next day it has been paid out, so you get an entirely false picture of what the reserve position is if you just read reports of the Central Bank. It depends on what date those reports are made out. That is why you sometimes appear to see something like conflicting statements made by the same Governor or the same Minister of Finance at intervals, say, of five or six days and you do not understand it. It is window dressing!

8.15 p.m.

On the same page, the report says:

"The deteriorating Barbados balance of payments position after 1980 is to some extent attributable to expansionary fiscal and credit policies."

At the bottom of the page:

"Domestic credit rose strongly as heavy borrowing by the public sector was super-imposed on a continued rapid increase in bank credit."

On page 9,

"Following elections held in June 1981, in which the incumbent party was elected, the Government began to implement a series of adjustment measures in order to stem the rapid deterioration in the balance of payments."

That is where the Fund itself is placing a direct linkage between the policies carried out before the elections and the stern measures which the Government had to take immediately after elections, because the propaganda was, "we never had it so good". But here in the Report of the Fund, which ill-advisedly or advisedly the right honourable Prime Minister tabled, here we have set out on page 10, Fiscal Policies:

"Over the last twelve months there has been a progressive tightening of fiscal policies. Shortly after the June 1981 Elections, the authorities increased taxes on diesel, gasolene and raised land tax assessments, water charges and postal rates. At the same time steps were taken to curb the growth of public investments. A moratorium was imposed on all new projects and many existing projects were rephased or scaled down"

immediately after the elections.

Was the public really being dealt with on a level basis? I do not want to use any pejorative term. Here it was the public was being led to believe that everything was going well and here the IMF reports tell you that immediately after the elections so and so took place:

"As a result of these various changes, total payroll levies which had been reduced from 10.75 per cent of insurance earnings to 7.25 per cent with the abolition of the Employment Levy rose to 15 per cent of insurable earnings."

Another 1 per cent has been added to date.

As far as that 1 per cent is concerned, it is a further reduction in the living standards of the people in this country. The increase in bus fares is a further erosion in their living standards, and, imagine, he gives public workers and public workers only 2½ per cent!

For a man working for $150 a week, 2½ per cent is $3.75 a week, of which he will pay the additional levy which is now 15 per cent overall of $150; $1.50 in increased bus fares, if he only catches one bus, out of the 2½ per cent and he is left with 75 cents – and he would probably have to spend that on bus fares for his children!

I just want to say, Mr. Deputy Speaker, in conclusion that we have participated fully in this debate. I have very strong personal feelings on this debate. The will of the House is the will of the House, but I promise that when we get back in, the public will not be treated to this tedium.

If the honourable Minister of Finance is still in the country and he is then the accepted Leader of the Opposition, he will have the same time that I have. And he will be able to go on speaking as he has spoken before – without the benefit of camera, like as you know, in our history of English Law, without the benefit of Clergy. The benefit of Clergy is that if you can read a certain verse of the Bible – it may be a clergyman – no matter what crime you are committed in, you can get off.

Now, Sir, I return to this point. Several arrangements were made here today. I was supposed to speak before dinner. I was not vouchsafed that privilege. Then I was supposed to speak at 7.50 p.m. and that arrangement was changed. The arrangements on the Resolution were changed.

We have all contributed, in my humble opinion, not speaking for myself, ably and fully as the time constraints allowed us. I hope that we never have this kind of exercise in this manner again, and that Members will be able to develop their points fully. But at every turn promises have been broken.

I have made no promise to my opposite Member that I will suffer any further broken promises by sitting down here and listening to his reply. I will read it with interest. I have had enough of this for the time-being. I am the only person who does not eat in the dining room. It is now 32 hours since I last ate and therefore I think that it is only fitting that I conclude by saying that we are completely disenchanted with the lack of good faith on behalf of the Government. I do not know what they are afraid of.

This is a matter of protest, Sir, I thank you for your indulgence, and I hope that you do not think that it is any part of parliamentary duties to remain in these circumstances in an atmosphere which I do not find entirely conducive to the best interest of parliamentary democracy.

I thank you.

Mr. DEPUTY SPEAKER: The honourable Minister of Finance.

The Opposition left the Chamber at this point.

Rt. Hon. J. M. G. M. ADAMS: Mr. Deputy Speaker, I would like to thank the Leader of the Opposition for his very able and capable speech, delivered in a rather more pleasant tone than the speeches of most of his party's members, setting out the history of Barbados' relation with the Fund from his own inimitable position, and I think that on the Opposition side, he concluded the debate on a pleasant and indeed charming note.

His recollection was somewhat at fault, Mr. Deputy Speaker, in respect to previous arrangements on the Budget. I will not dwell on them, but he spoke of Mr. Lloyd Smith, and I hope, Mr. Deputy Speaker, that you will give the licence to say on this occasion that I am sure that all honourable Members of the House sympathize with Mr. Lloyd Smith on his recent bereavement, which I am sure we would all have respected by attending the funeral of his late wife yesterday had it not been for the arrangements for the debate.

Mr. Lloyd Smith was one of the outstanding Parliamentarians of this century in Barbados, and speaking on behalf of the Government, we would have wished to pay our respects.

Now, Mr. Deputy Speaker, I can reply to this debate no better than to follow my usual wont of going through the speeches *seriatim*. I may have an announcement or two to make exclusive of what was said in the speeches, but I want to analyse the contributions to the debate of all honourable Members. There were many speeches and therefore I will have to be concise in dealing with the points one by one.

The honourable Member for St. Michael South Central (Dr. R. C. Haynes) opened his speech by saying that the country is insolvent. I have yesterday's Central Banks print-out of the country's financial position. It shows that the total external assets of Barbados were at the highest level ever. There was $210,855,023.72 on yesterday's print-out. Out of this, $13½ million is in the CARICOM Multilateral Clearing Facility. There are short-term foreign debts of $29 million, although some of these are owed to CARICOM and will surely be rolled over.
8.25 p.m.

We have $US 11 million on our current account with the Federal Reserve Bank in New York, we own $US 8 million in U.S. Government Bonds, we have deposits on the Bank of America in Miami, Morgan Grenfell National Bank of North America, European Banking Company – I would not tire the House with all of them – which amount to $US 31 million.

We have funds in London, funds in Canada; we have funds in Switzerland, and just across the road, under the guard of a single police officer in a well constructed vault, there is $2 million in U.S. currency, part of what has been collected during the month by the Central Bank and exchanged.

If that means the country is insolvent, the honourable Member's ideas of wealth are even more grandiose than his career as a prosperous physician would suggest!

Mr. Deputy Speaker, the honourable Member said that the public debt including the public guarantee debt is approaching $1 billion and he said we are going into a debt trap.

One of the IMF documents, which he should have in his hand, shows that the public debt and the public guarantee debt of Barbados, including the debt of the Central Bank, is US $252 million. The IMF does not anticipate that Barbados' debt will reach one billion Bds. dollars until 1987 or after, by which time there will be a great many more developments in Barbados to show what was done with the money.

He said that we have abandoned sovereignty to the IMF. Mr. Deputy Speaker, I can answer him no better than the honourable Member for St. Lucy (Mr. R. E. Brathwaite) did; when you borrow money, you submit yourself to conditions. When you go to the bank, you explain to the bank what you want the money for, how you are going to pay it back, and you leave your papers in the bank so that you cannot borrow money to exceed your capacity to repay.

The very question of going to the IMF has been represented constantly as a terrible thing to do. Honourable Members have spoken as if the mere fact of going to the IMF is a bad thing. I have checked what countries in the world have gone to the IMF. As recently as 1978 the United States of America made an application to the IMF and drew down its reserve tranche. In Europe, just to mention the larger countries that have recently had IMF programmes, France, Britain, Italy, Spain, Portugal; virtually every country in Africa now, including the richest, South Africa, have had an IMF programme; every country in Latin America; India has a very large programme; virtually every country in Asia, except Japan and the oil producers, South Korea.

I am going to mention two countries in particular, because there is no doubt, Mr. Deputy Speaker, that since going into the IMF programme members of the Government and the Ministry of Finance have become much better informed about variation in conditions that exist. South Korea has asked the IMF for money, but treated it as a line of credit and never drew it down. In other words, they have accepted the conditions because they viewed them as a matter of advice. Gabon, an oil producer in Africa, did the same thing, saying that it wished to have the investment advice of the IMF.

In the Caribbean, it seems to have escaped attention that Dominica has had a very successful IMF programme, and Miss Eugenia Charles has actually thanked the International Monetary Fund for its help and for the advice which it has given Dominica in stabilising the Dominican economy.

The honourable Member for St. John (Rt. Hon. E. W. Barrow) mentioned Mr. Gunther Weisser, who told him about the four wheel chariot. This is a well-known piece of the mythology of the Ministry of Finance. It was a famous interview, but the honourable Member has entirely missed the point.

Gunther Weisser told the then Government that the way it was going it would have to have an IMF programme and that it would have to devalue, put on a wage freeze, and other things, and that it could get no money unless it did all these things.

The then Government thereupon introduced a very substantial Corporation Tax, it let inflation run rampant, it permitted unemployment that went over 20 per cent; and avoided going to the Fund by taking it out on the unemployed and on businesses in this country. It also left us with the most serious foreign exchange crisis that Barbados has ever faced, which happened during the first three months after we came into power.

We did have to approach the IMF within six months of going into power at the start of 1977 for compensatory financing, but evidently, Mr. Deputy Speaker, we had already done enough to avoid the terrible conditions that the previous Government had been threatened with at that time.

To get away from the IMF, although I will return to it later, I want to deal with one or two small matters.

The Health Service. The honourable Member for St. Michael South Central said no decision had been taken as to whether to pay the Health Service monies into the Consolidated Fund or not, as if to suggest that these monies are floating around somewhere in some limbo to which the Government has secret access.

All the monies have been paid into the Consolidated Fund. They are used to support those medical services such as the District Medical Services and certain of the Casualty services, which will be transferred to the National Health Service as soon as it comes into operation.

There was a spectacular what I would call falsehood, if the Rules of the House restrain me from using a more substantial word, also relating to an amount of $8 million. The honourable Member said we had put $8 million in taxation on sweet drinks.

Yesterday, Mr. Deputy Speaker, the manufacturers of sweet drinks said that the price of drinks will not go up as a result of the Budget, just as they said the price would not go up as a result of the increases in the prices of sugar, and I thank and congratulate them for it, for

this piece of public-spirited acceptance of the spirit of sacrifice.

It is a matter of commonsense that if they had to bear $8 million in new taxation, plus the increased price of sugar, obviously the prices of drinks would have to go up. I would have to say no more than that to contradict the honourable Member. But perhaps in the interest of the Record, I should say that the impression which the honourable Member sought to give in speaking of $8 million on sweet drinks, should be corrected by the truth that the tax is actually $600 000.

The honourable Member questioned the constitutionality of the Land Taxes. The courts are there for those who question the laws. We certainly do not prevent access to the courts, and sometimes, Mr. Deputy Speaker, indeed we have seen the courts overturn laws on grounds of constitutionality. It has happened recently.

The honourable Member made a very confused speech, and therefore it was difficult sometimes to extract from his speech what he was actually saying, but he gave figures of the public debt which varied between $400 000 and $120 million, and I will dismiss those in the same way as I have dismissed his fanciful figure of $1 billion for the overall debt.

It is not, however, possible, to dismiss what he said about inflation. He touched little on it, but I would like to deal with his speech and that of the Leader of the Opposition. The Leader of the Opposition dwelt on the fact that in 1976 the inflation rate had fallen to 2 per cent and that the Labour Party had never achieved that figure. The honourable Member for St. Michael South Central said that the inflation rate will fall because of the deflation. The Leader of the Opposition said that the inflation rate in 1976, when he left power, was one-twentieth of what it was two years earlier.

But what I would point out, Mr. Deputy Speaker, is that two years earlier he was also in power. He presided over the highest inflation that any Commonwealth country has ever had, 40 per cent in 1974, and that at a time when there was unemployment and widespread depression in Barbados.
8.35 p.m.

The Leader of the Opposition is entirely wrong in saying that the rate of inflation in Barbados has never gone to two per cent with the present Government. We are, in this month of April, 1983, in a state of negative inflation. For the first time in history since records have been kept in Barbados, an entire quarter has passed without a rise in price. The cost of living is less now in Barbados than it was last year. And I am using exactly the same statistical sources as the honourable Member is using for saying that it fell to a very low level in the middle of 1975.

I recently attended a Board of Governors Meeting of the Inter-American Development Bank in Panama, and Barbados was picked out by the country which thinks that it has the next lowest rate of inflation in the world to Barbados, the Dominican Republic, whose Governor said that he had come to the meeting intending to say that his country now had the world's lowest rate of inflation, but he had discovered that Barbados' was lower.

I do not intend to deal very much more with prices, Mr. Deputy Speaker. The record speaks for itself. I cannot promise that there will be no more inflation in Barbados. Prices will clearly go up again later this year or at some time. But, for six months, we have had unprecedented levels of price stability in our island!

I regret that although we have had reasonably stable levels of unemployment, they are high – high for what we set ourselves, although not high by today's world standards. And I would want on this subject to correct only one thing that was said by the honourable Member about unemployment. He said that I had said that unemployment in Barbados was never 22 per cent.

What I said, Mr. Deputy Speaker, on an earlier occasion in this Honourable House, was that the Barbados Statistical Service reported unemployment at 22 per cent in 1975, 10 per cent in 1981 and 13 per cent today – but that I tend to think that unemployment in Barbados is over-estimated.

I have since been supported by the World Bank's Economic Memorandum on Barbados, which has gone out of its way to point out that we use more rigid standards of calculating unemployment than are customary in developed countries; and that we have possibly, from time to time, been overestimating our rate of unemployment by up to four per cent.

This would mean that when we were saying it was 10 per cent, it may really have been 6 per cent. And that when, under the Democratic Labour Party, it rose to the published figure of 22 per cent, it may really have only been 18 per cent. The fact still is that it would have been 12 per cent higher under the Dems than it was under us.

Now, Mr. Deputy Speaker, the honourable Member for St. Michael South Central complained – in what I must say I think is the worst speech I have ever heard him make in the Budget – and that has some competition – that he did not have enough time. I am sorry that, instead of proposing the extension of the speech of the honourable Member for St. Philip South (Mr. H. A. Blackman), the Leader of the House did not propose an extension of the speech of the honourable Member for St. Michael South Central.

If he were so interested in Barbados, he would have talked a little less about the IMF. If he wanted to talk about the problems that relate to Barbados, he would not have spent one hour repeating the speech which he made in Market Square; repeating the speech which he made on the Estimates relating to the IMF; repeating, indeed, virtually every speech that he has made for, perhaps, the last six months in the House of Assembly.

But I must, without wanting to tire the Honourable House over the IMF on these matters, address myself to a particular problem which has caused the Government some difficulty and embarrassment over a long period of time. This relates to the production of documents of the International Monetary Fund by the Government in and out of the Honourable House and elsewhere.

Now, Mr. Deputy Speaker, you have been kind enough, and the honourable Member for St. Peter (His Honour W. C. B. Hinds), when he was in the Chair, very tactfully and kindly assisted in pointing out, based on standard books on parliamentary procedure, that while Ministers of Government are generally obliged to lay in the House documents which they quote, no such rule prevails for private Members.

As Erskine May, the Nineteenth Edition at page 432 says:

> "It is doubtful whether any rule but that of good taste can restrain honourable Members from quoting from documents which are not before the House and which, therefore, make it impossible for the House to form a correct judgement from partial extracts."

Mr. Deputy Speaker, it therefore means that you cannot ask the honourable Members for St. Michael South Central and St. Michael North to produce the Minutes of the IMF from which they quoted.

Unfortunately for the Government, Mr. Deputy Speaker, we cannot possibly rely, in the case of the honourable Member for St. Michael South Central, on the canous of good taste or intellectual honesty prevailing. We have too much experience of him to expect that good taste alone could restrain him from doing anything.

And we have an additional difficulty. The question of the leaking of IMF Minutes have been before the Executive Committee of the International Monetary Fund for many years. On October 18, 1978, as a result of extracts from the Minutes of the Executive Board of the International Monetary Fund, appearing in such American journals as, *The Nation* and *The Enquirer,* the IMF had a special session on secrecy and confidentiality.

Steps were taken to write to a Mr. James Murrell who, apparently, had been obtaining the Board's Minutes and using them in published articles. Members of the staff were warned that any leaking of the IMF Minutes would subject them to instant dismissal, if they failed to observe the regulations. And Executive Directors of the IMF were asked to emphasize the need for their Governments to take precaution when they sent copies of the Minutes to their authorities.

But, as a matter of fact, the Executive Directors of the International Monetary Fund *do* circulate Minutes to their Governments and, therefore, every Government that is a member of the IMF *does* get copies of Board Minutes.

I have made some investigations and there is some reason to believe that a Caribbean Government, not particularly friendly to Barbados, has made copies of the IMF Minutes available to the honourable Member for St. Michael South Central. I cannot state this as a fact. I can only say there is some reason to believe that it is so.

Unfortunately, the canons of good taste make it impossible for us to break the confidentiality of documents which are sent to us by the International Monetary Fund. This is the reason why we cannot publish them in the papers as we like. It may be that we can publish a Letter of Intent, because it is our document which we have signed. But the publication of the actual IMF Minutes, as far as I know, has never been undertaken by any Government.

Nonetheless, Mr. Deputy Speaker, it would be absolutely impossible for me to proceed in this debate unless I made some reference to the statements which have been made by the honourable Member about what the IMF had said about Barbados.
8.45 p.m.

There were a number of quotations. One of them was "inflation has remained unacceptably high at close to 14%, and there has also been a marked worsening in the balance of payments." Now, that quotation is not made from anything that the International Monetary Fund has said to or about Barbados; that is a direct quotation from the words of Barbados' Director on the Executive Board, Mr. Joyce, a Canadian, who represents Canada and a number of other countries, and it was a part of *our* presentation to the IMF. *We* told the IMF that we considered inflation too high in Barbados and that we were taking steps to reduce it. *We* told the IMF that our balance of payments was worsening.

There is another quotation to the effect that Barbados' debt was higher than that of other non-oil

developing countries. The way that quotation came about was this way. One of the Directors of the IMF said that Barbados' debt was relatively low, its debt service ratio of 8 to 10% was very low, and that Barbados should borrow more money, meaning borrow commercially. As a result of that, again our representative and the staff said that the Government of Barbados did not want to borrow more money commercially, that, as far as we were concerned, we already had enough foreign debt and we did not wish to undertake any more.

If the honourable Member had had the honesty to read out what was there, he would have read this as a reply to that IMF Director who said we should have taken more foreign debt:

> "As to the debt service ratio, the staff representative mentioned that the 8 to 10% figure was one that the Barbadian authorities themselves considered prudent. In the past the Barbadian authorities had been very careful to avoid placing themselves in a position where their freedom of manoeuvre might be constrained, particularly when it came to contracting foreign debt. It should be noted that while the debt service ratio was still low, the economy was extremely open, and the debt service ratio did not fully express the vulnerability of the country to external disturbances."

That was our point of view. The IMF did not tell us that we had too much debt; they suggested that we should borrow more, and it was *we* that said that we considered it prudent not to proceed any further down that particular line.

In conclusion on that part of the subject, Mr. Deputy Speaker, I would only ask the House and the public of Barbados to consider what they think of a man who reads from a document two statements which the Barbados Government itself was putting to the IMF, to indicate our need for a Standby programme and our judgment of our own economy, to suggest that this was someone else's judgment; and who would not read out what one of the Directors said about Barbados' economic performance being commendable, and the authorities' "prudent approach to economic management being an example of how to run a small island with limited resources." What would we think of the honesty of such a person? What would we think of the panic that such a person has sought to throw the whole country into with his talk about the IMF, when these were the facts?

Another Director commented:

> "Barbados had made considerable progress since 1975 in achieving a respectable rate of growth at a relatively low level of inflation, in steadily reducing a high rate of unemployment and in maintaining a comfortable balance of payment position."

Now, Mr. Deputy Speaker, I have been asked to suppress a statement made by the honourable Member for St. Michael South Central to certain Members on the Government benches. In this House, he asked two members of the Cabinet to advise me to devalue the dollar. His exact words were "Why don't you tell Tom to go ahead and do the thing?" A member of the Cabinet said to him, "What do you mean by 'the thing'?" and he said "Devalue".

Do you see the real trap he wants to put us in? Do you see the – can I say hypocrisy, Sir? I don't think I can – true intent of the man? Drag down Barbados while at the same time protesting, his little eyes rolling round and round in protest that we do not want a devaluation in Barbados! It is no debt trap, just a trap!

Now, to move on to other speakers, Mr. Deputy Speaker. We had a long debate. I thought the honourable Member for St. Michael South (Mr. L. E. Sandiford) made the best speech on the other side. I can say so with all humility. He is a fluent speaker, a better speaker, more intelligent than the honourable Member for St. Michael South Central, certainly more honest, and I think more knowledgeable. He is respected in the House for his intelligence, his general integrity and decency. He is respected on all sides, but he is still a desert fox at heart sometimes, very skilled in the in-fighting of the Democratic Labour Party and in the twists and turns of parliamentary battle.

Now consider how he handled what he called the secret budgetary measures. He read out a list of measures which he said were in anticipation of the Budget, and which we had never heard about until today. He said Shipping Fees, Airport Rental of Office, Road Traffic Amendment, Police Miscellaneous Fees, Banks (tax on assets), Fire Service Fees, Air Navigation Fees, Stamp Duty, Film Censorship Fees; all of these he mentioned.

Well, the Shipping Fees came in as part of offshore legislation long ago. They had to be changed for some reason, but that is an old old-hat thing.

The rental of offices at the airport, that is the commercial operation of the Ministry of Civil Aviation, and I think it must have been three years ago that the honourable Member for Christ Church East Central (Hon. H. B. St. John) said that the airport rents would have to be raised on a two year basis.

The Air Navigation Fees, these have not been raised since 1970 and they were needed by January 15 this year. That is why they had to be brought in.

The Film Censorship Fees – who pays the film censorship fees? It is $100 or $200 paid by two or three theatres! This was done while laws relating to the Film Censorship Board were under consideration, and opportunity was taken to update the fees.

But the others, the honourable Member said, had not been contained in a budget. The Road Traffic Amendment was contained in the Budget of last year. All that happened is that we had an amendment this year to reduce some of the fees relating to cane carts, articulated vehicles used in the sugar industry. That is what the amendment was about.

Police miscellaneous fees were mentioned in the budget last year; raised in the budget last year. There is some doubt whether the police can collect fees without an Act, and I believe that that is why the Order was made. For years the police were collecting fees without any legislation.

Banks' (Tax on Assets), is a budgetary measure from last year. Fire Service fees, a budgetary measure from last year.

The desert fox must do better than that, Mr. Deputy Speaker, he must not use his reputation for intelligence and integrity to mislead the public on so important an occasion as a television debate. I believe he said he was risking one. Well, he has risked it; and he is not a gambler, so far as I know, and like all non-gamblers when they get into that deal, they lose their shirt.

Mind you, Sir, he made another point which I have taken up. I really do want to know what has happened to the Central Bank Report. He asked why it is not available. I approve it two weeks ago and I will ask the Governor the reason for its delay.

He also touched on the International Monetary Fund. He said in 1973 the recession was the worst the world has known, oil prices the worst, and so on.
8.55 p.m.

Mr. Deputy Speaker, the public has a short memory and the memories of the Opposition are even shorter. When the Deputy Prime Minister took office as Minister of Trade, which then included matters relating to petroleum, in 1976 the oil price was around $9 a barrel. But 1979, it went to $34. We accepted that. We dealt with that without the complaining and the whining of Honourable Members opposite when they were in power, and we dealt with it without the 40 per cent inflation!

That oil price rise is what has caused the terrifying decay in the world economy today; and Barbados has survived it where the rest of the developing world, almost to a man, has gone down. That is the surge that hit Argentina and Brazil. That is the surge that has shaken the world to its foundations. We have gone through it without devaluation without mass unemployment, without a foreign debt exceeding our capacity to service and without, indeed, natural resources.

Now, Mr. Deputy Speaker, I am somewhat at a loss in dealing with the honourable member who spoke next for the Opposition, the Hon. Member for St. Philip South. I have been urged by honourable Members on my side to ignore the speech and pick on somebody my own size. "Do not tell anybody that he is ignorant," they say, "The public will know that he is ignorant, but you must not say so." Well, Mr. Deputy Speaker, I still have to say something about his speech.

There is a great gift vouchsafed to few in mankind. It is the gift of fluency and oratory. Lawyers need it; priests need it; not all of us have it. But what in most people would be a great gift, is in the honourable Member for St. Philip South a great disadvantage, for if he lacked the rhetorical and oratorical gifts which he possesses, he would not be able to make such a fool of himself.

He is not, I think, as intelligent a person as his predecessor, Mr. Reynold Weekes, and he differs from Mr. Weekes in one important respect: he lacks Mr. Weekes' humility. He has been heard to say in the House today that, up to 2 o'clock this morning, people were telephoning him to say what a good speech he made!

One Member of the other side told me, as he came into the House of Assembly today, that of all the comments which struck him as the most unusual, the one that surprised him most was when somebody said, "Blackie was real dynamic last night." This Member of the Opposition told me that he was never so ashamed of his party in his life as when he heard Blackman; and he could not believe that anybody who heard him say that the Democratic Labour Party joined the IMF because they knew they were going to lose power and they were going to let us go to the IMF could be taken seriously.

If the honourable Member did not have such a flow of language and such a command of gesture, he would not expose himself. With all the authority of a second-year student at Cave Hill, which is what he is, the honourable Member pontificates to a degree that the Leader of the Opposition would not dare expose himself.

Make a constrast between the speech of the Leader of the Opposition, who, in defence, Sir, praised the Government for what it has done. Do not let us fool ourselves. If he had something to say against us, he would have said it with some force. He was praising us with faint dance. Contrast his speech with the speech of the honourable Member for St. Philip South and you will

immediately see the difference. And I interrupted the honourable Member for St. Philip South because, truthfully, I was ashamed of the impact that he would make on the general public as to the standard of debate in the House of Assembly and his standard of representative of the goodly electorate of St. Philip South.

He asked why should I believe the IMF man in Paris. I could give a facile answer. I could say that I believe the IMF man in Paris because the IMF man said that Richie Haynes, the honourable Member for St. Michael South Central is a liar and anybody who says that cannot be far wrong. But a speech is made by an IMF official in Paris – I have confidentially circulated it to the Press here, Mr. Deputy Speaker, asking them not to publish it because it is confidential in character – and I am told that I must not believe it.

The honourable Member said how Forbes Burnham kicked out the IMF. The conditions which was proposed for Guyana apparently included a devaluation of 60 per cent, maybe more, return of the bauxite operation to ALCAN to operate, return of the sugar industry to private operation, and 10 000 layoffs in the public service.

Is the honourable Member, is he saying that, somehow, Mr. Burnham's management of affairs is better than ours because he better knows how to handle the IMF? As a matter of common sense, if I had got Barbados into the state that those conditions had to be made to me, I might have some difficulty in quarreling with that. But, as a matter of common sense, you cannot seriously compare Barbados to Guyana in terms of the condition of the two economies. I say that with the greatest humility, and the greatest respect for the CARICOM institution and the amity of CARICOM.

I really cannot deal any further with the speech of the honourable Member, except to ask him to read the book which was referred to by the honourable Members for St. Michael West Central (Hon. V. L. Johnson) and St. Lucy (Mr. R. E. Brathwaite), and which I was sharing with the Deputy Prime Minister in last night's debate. He must read that part of the Beatitudes which says: "Blessed are the meek, for they shall inherit the earth". A little humility is what the honourable Member needs. By and large, I think he comes over as the most stupid Member in the House. In a House with the honourable Member for St. James South (Mr. N. K. Simmons), he may not be.

The speech of the honourable Member for St. Michael North West (Mr. L. A. Weekes), I will pass over that, Sir.

The honourable Member for St. James South has quarrelled about the hotels and fishermen having difficulty gaining access to the beach.

Mr. Deputy Speaker, I was in the House of Assembly some 10 to 12 years ago, and I remember resisting an acquisition by the then Government because associated with that acquisition was the demolition of the Holetown Fish Market and the removal of public access to the sea through the Holetown Fish Shed.

The reason for that demolition was to facilitate a hotel to be built by the Hon. Member for St. James South and his brothers! He did not care then about the access of the fishermen! They all knew perfectly well that the Fish Shed was to be demolished! He did not care then, but he worries now about the fishermen! He talks about access to the beach and the hotels and how wicked the hotels are!

Mr. Deputy Speaker, I was in Holetown Court one day and I saw a case being conducted of a young man who had trespassed on a hotel at Holetown. He was charged with petty trespass and he was sent to prison for, I think, 14 days – I cannot remember the exact number – a young boy – and when he was taken off to his cell, I got up from where I was, motioned to the Magistrate and said: "Your Honour, I would not like to see you go wrong, but in Barbados you cannot send people to prison for trespass. You can only fine them, and if they do not pay the fine then send them to prison. I think that even taking him to the cells may give rise to a case of false imprisonment." I said this and the magistrate called the police sergeant and the boy was released from the cell.
9.05 p.m.

The magistrate, Mr. Deputy Speaker, was none other than the honourable Member for St. James South. His hotel was at Holetown and people who trespassed on the hotels at Holetown had to go to jail whether the law permitted it or not. He has already since then caused the Government a great deal of costs and damages for sending people to jail illegally. I do not know where comes this newfound respect and regard for fishermen and people that walk on the beach, and people that walk through hotels and the rights of the residents of Holetown.

Mr. Deputy Speaker, one honourable Member commented that never before have so many telephones been disconnected. I think that was the previous honourable Member. The reason why, of course, so many telephones may have been disconnected in our time is that when he came in there were perhaps fewer than 20 000 private telephones in Barbados, now there are 40 000. If there are more telephones, more must be disconnected.

Another comment was that taxation was high. The honourable Member for St. Lucy has already dealt with that. In 1976, on $25 and $35 a week you had to pay Income Tax. Not a single Member of the House has pointed out that under the dispensations introduced in

the Budget on Wednesday, the floor for Income Tax is now $135 a week, from $35 to $135 during the time that we have been in office.

The honourable Member for St. Michael North also read from the Minutes of the International Monetary Fund of December 18, 1981. It was as intellectually dishonest for him to do it as it was for the honourable Member for St. Michael South Central. As it is said, these are matters of good taste. But he said something which I would want to deal with, that the national debt of Barbados has trebled since the Barbados Labour Party was in power.

This constant harping on the money rise in the national debt ignores a lot of things, Mr. Deputy Speaker. It ignores the fact that money values have changed and it ignores the fact that we have done something with the money, but it also ignores the fact that in those areas of society where figures perhaps matter, there has been also a trebling or more than a trebling.

At the beginning of 1976, the wages of a maid in Government service were $46 a week. The 2½ per cent increase that I have given in the Budget will raise these wages to $159 and something, almost $160 a week, which is more than treble. To take the productive part of the economy, exports were $173.6 million in 1975; they are $528.6 million today; more than treble. Even in a time of depression, these are the figures that matter. If the national debt has trebled in order to give a maid in Barbados a 350 per cent increase, I make no apologies for it. If the national debt has trebled in order to create the factories to cause exports to more than treble, I make no apologies for it.

Tourist earnings in 1975 and 1976 – they did not vary as far as I remember – were around $150 million, $151 million and $154 million. Even last year, according to the Statistical Service, tourist earnings were over $500 million. So debt has trebled while the standard of living in Barbados, its productive capacity, the earnings of its lowest paid members of society have also trebled, and the value of our currency has remained the same.

The honourable Member for St. Philip North (Mr. W. O. Franklin) said that he was yet to meet one person who had got a chattel mortgage. It depends on how you define a chattel mortgage. Is the honourable Member saying that no one who lives in a chattel house has ever got a loan to improve their housing? Or ever bought a Pine Home or a National Housing Corporation house with a loan?

We must not be confused with nomenclature. The census of 1980 revealed that in 1978, 1 400 houses were built in Barbados. That is the number of houses which people told the census officers on the night of April 9, 1980, they had moved into as a new house "year before last." There were 1 100 in 1979. Many of those houses were wooden houses, and they were certainly not all bought for cash.

I pass over the empty speech of the honourable Member for Christ Church West Central (Mr. M. A. King) and pass on to the speech of the honourable member for St. Michael West (Mr. B. M. Taitt). My first comment on the honourable Member's speech was that his day was complete, his Budget debate was complete, his cup of happiness was full on Thursday afternoon around the hour of 5.30 p.m. His pleasure, expressed to all who would listen to him, at the poor performance of the speech of the Opposition's principal spokesman for Finance will carry him through another month or two before the pangs of jealousy and doubt begin once more to gnaw at him within the four walls of the Democratic Labour Party.

I pass over Jacob and Esau. He thinks he has been cast in the role of Esau, the favourite of the rank and file, but that the hand of the leader has fallen on a different Jacob. Time will tell.

Mr. Deputy Speaker, all I can say is that I am sorry for him. I think he made an effort to make a speech and deal with the problems. Unfortunately, he retreated from the problems every time he came right up to them.

He said the Minister of Trade has not provided the leadership required and that we are in the process of losing the entire garment industry, 3 000 to 4 000 jobs.

Our garment industry has prospered so much that last year it sold $41 million of garments to Trinidad, where Barbados imported $4 million from Trinidad. Some years we export more garments than sugar. We export garments to France, to the United States; all over the world. Is this an industry that is suffering?

What is happening Mr. Deputy Speaker, is that Members are quoting statistics without fully understanding them. Members, in quoting that the employment in industry has risen by only 390 in three years, misunderstand the basis on which these statistics are collected.

In manufacturing industry, there was once a time when sugar factories owned their own trucks and therefore the numbers employed in a sugar factory used to be swollen by, say, ten drivers and ten seconds, because of the possession of transport which would take sugar from the factory to the port. In this day and age there is one transport company that does it for the sugar factories.

This is true also of other services provided to industry, and the service sector in Barbados, the fastest

growing employment sector, is employing people in customs broking, even in packing, in transportation; it is employing people in consultancy services. The honourable Member for St. Michael West has been an industrial consultant. It is the employment given by all those ancillary services that has been responsible for the fall in unemployment in Barbados over the period of the Barbados Labour Party's time in office.

I cannot really say very much more about it, because negotiations, I believe, are at a delicate stage with our CARICOM partners, but honourable Members can be quite sure that the matter is in hand, that a proper analysis of Barbados' employment would have to come up with the fact that people are working, so they must be working somewhere.

There are over 100 000 people on the National Insurance books, even though the Barbados Statistical Service says they are only 99 000 people employed. We still collect over 100 000 National Insurance contributions. The National Insurance rate base is over $800 million. That is the wages on which National Insurance contributions are being paid every week. Somebody has to be paying these wages and somebody drawing them.

Mr. Deputy Speaker, in winding up, I will want to thank honourable Members who spoke on the side of the Government. I am very much obliged to the Deputy Prime Minister for the very capable way in which he handled the question of the Mobil purchase. It is obvious to anybody that Barbados could not stand idly by and again see the Mobil Oil Company run down oil production facilities in Barbados. In 1981, when this was actually done, our oil import bill rose by $20 million.
9.15 p.m.

It is a matter of commonsense that an outside company could not possibly have the same interest in producing oil in Barbados as the Government of Barbados would have. Even although the price of oil has fallen, the Mobil sale is still fully sustainable in economic terms. We may have to raise some money to carry on production but the taxation measures will hopefully take care of that.

The honourable Member also spoke of industrial activity.

The honourable Member for St. George South (Hon. L. R. Tull) – and I hope he will not consider me impertinent if I say in a very outstanding speech – spoke of small agriculturalists and spoke of the need for relieving the middle class.

The Government is very aware of the needs of the 6 000 or 7 000 families whose breadwinners earn from $350 to around $700 per week in Barbados. We are very concerned with relieving taxation on that bracket. We have relieved taxation in the lower income brackets to an extent that nobody could possibly have imagined. We have brought the top rate in tax into line with international standards. I fully accept that it is now the duty of the Government to make scales of Income Tax that are more in keeping with our position as a middle income country.

The honourable Member for St. Andrew (Hon. L. B. Brathwaite) spoke of sand. The honourable Member, I think, knows that investigations of our mineral resources are now being analysed in my Ministry, in the department presided over by Senator Griffith, and I believe that proposals will very soon follow on that.

I would particularly like to thank the honourable Member for Christ Church West (Hon. H. deB. Forde) for dealing so capably and competently with severance pay. He pointed out that we are taxing severance at a much less rate than it is taxed in Great Britain, and in Great Britain the compensation limit is based on 7 years, as opposed to 33 years in Barbados. No more needs be said on severance after that.

I am obliged to the honourable Member for St. Michael East (Hon. Dr. D. G. Blackman), for the kind words he said about my speech and I am very obliged for his choice of adjectives in dealing with speeches made by other honourable Members.

The fact that I have not mentioned all the speeches made on our side, Mr. Deputy Speaker, should not in any way detract from the performance. I think that on the Government side there was careful preparation, there was no hysteria, there were no falsehoods, there were no trailings and scares and panics. We talked about our achievements and not about the Opposition's shortcomings. And, most important of all, we talked of things that we should and would do for the future. We talked about medium and long term development.

The Budget has been attacked for talking only about the impact of the outside world on Barbados. If anybody thinks that Barbados can live by itself, I really invite him to put forward a policy that would allow us to live in isolation. No man is an island, Mr. Deputy Speaker. Each of us is a piece of the main, incomplete in himself. That is true of Barbados more than most countries in the world. We live by trade and we flourish by trade. There is no way that we can have a per capita income of US$4 000 based upon our own resources.

There are few countries in the world where exports represent 66 per cent of GDP and imports about the same amount. There are only half dozen of us, and, therefore,

we have to pay attention to the winds from outside. We have to keep on good terms with the international financial institutions.

And to all those who say that going into an IMF programme is destructive of the country's reputation, I would just say that the IMF itself has expressed astonishment at the flow of funds into Barbados since the programme has started. One firm in Barbados has brought in $28 million for construction and expansion. There is $21 million in private capital inflows to Barbados since we have gone into the IMF programme that we cannot directly trace.

The United States has given us bilateral aid in an amount of $14 million, as well as housing aid. The banks, which we did not approach when we considered our foreign indebtedness to be already sufficiently high, have returned to ask Barbados if Barbados needs capital for investment. And I am happy to hope that with recovery overseas, I will be able in next year's Budget once more to enunciate that mix of medium and long term policies that can take us through another surge of the prosperity over which this Government presided during the years when the international economy permitted, 1979 and 1980.

In conclusion, Mr. Deputy Speaker, I will want to thank the staff of Parliament for their devoted duty. They have worked beyond, I believe, the union hours. They have been very gracious. The arrangements have gone off without a hitch.

I am sure that all Members of Parliament would wish me to say a word of encouragement to the substantive holder of your office, Mr. Deputy Speaker, who is unable to be with us here this evening, just as through illness, the honourable Member for St. Michael Central is unable to be with us. We wish Mr. substantive Speaker and the honourable Member for St. Peter well, and also the honourable Member for St. Michael Central.

The technical staff have been devoted to duty over this long and very complete debate, in which I believe more honourable Members have taken part than in any other previous debate in the Honourable House.

Perhaps, I should thank the Opposition for not walking out until my speech was made. They normally walk out at an earlier stage.

Mr. Deputy Speaker, I beg to move that the Resolution standing in my name do now pass.

(Applause).

Hon. H. B. St. JOHN: I beg to second that.

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

Hon. L. S. CRAIG: Mr. Deputy Speaker, I propose to do Order No. 9 at this point. This is a Resolution for the purpose of granting sums of money from the Consolidated Fund to pay the civil servants the increase which you would have heard announced in the Budgetary Proposals.

I regret, too, Mr. Deputy Speaker, that Members of the Opposition are not in their places, because I must confess that I have done everything that is within my power to accommodate them over the past few days. I have forfeited my right to speak, I have allowed ten of them on the other side to speak, we have given them equal time, I have facilitated them right through and it is with deep regret and sadness that they walked out this evening.

I can only say, and send out a warning to them this evening, that I am going to play the business of Parliament as tough with them as I can play it easy with them. I have accommodated them, I have done everything to make them comfortable and they still behave like a bunch of bad behaved little children, Sir.

Order No. 9 was called – To move that the House resolve itself into Committee of Supply for the grant of sums of money for the service of this island.

On the motion of Hon. L. S. CRAIG, seconded by Hon. H. B. St. JOHN, Mr. DEPUTY SPEAKER left the Chair and the House went into Committee of Supply, Mr. J. G. ODLE in the Chair.
9.25 p.m.

Mr. CHAIRMAN: The House is in Committee of Supply.

SUPPLEMENTARY ESTIMATES 1983–84, No. 1

A Resolution for the sum of $6 800 000 was called.

Rt. Hon. J. M. G. M. ADAMS (St. Thomas): Mr. Chairman, the increase for the Civil Service is being paid as an interim allowance within the meaning of the Pension Act so that it will be pensionable in the hands of those who receive it. It is payable to all persons receiving emoluments directly from the Public Treasury, and it is payable on all pensionable emoluments and emoluments which have privileges in the nature of pensions.

The sum is some $5 844 243 and the National Insurance Contributions $388 757. It is hoped that the

pay sheets for next month will have both the arrears and the new months's payments on them.

Mr. Chairman, I beg to move that this Head stand part.

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

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

Head 24 – Pensions – $567 000 – was called.

Rt. Hon. J. M. G. M. ADAMS: Mr. Chairman, this is something for the Government pensioners, and I beg to move that this Head also stand part.

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

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

On the motion of Hon. L. S. CRAIG, seconded by Rt. Hon. J. M. G. M. ADAMS, Mr. CHAIRMAN reported the passing of one Resolution in Committee of Supply, and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Rt. Hon. J. M. G. M. ADAMS, seconded by Hon. L. S. CRAIG, the Resolution was read a first and second time and agreed to.

Rt. Hon. J. M. G. M. ADAMS: Mr. Deputy Speaker, I have a very short statement to make. It relates to Appendix I to the Budget. There were a number of errors in that Appendix, amounts which should have been rounded off to a round figure, a multiple of five, were not rounded off. Most of them have the effect of increasing the published postal rates.

The proper Order will appear, I suppose, on Tuesday now, Sir – it normally would have been gazetted on Monday – and the public will be able to see the exact amounts. But the amounts which were published in the Budget did contain errors.

There was also an omission. There should be a section on rents for letter boxes, which altogether omitted from the Budget Appendix. It will be gazetted.

I regret the printing and other errors which have led to this situation. I think the wrong draft must have been used for the printed copy, but I can only say that I regret it.

ADJOURNMENT

Hon. L. S. CRAIG: Mr. Deputy Speaker, this brings us to the end of Government Business, and I beg to move that this House do now adjourn until May 17, 1983 at 12 o'clock noon.

Hon. Dr. R. L. CHELTENHAM: I beg to second that.

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

9.31 p.m.

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