

THE

House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1981 – 86

HOUSE OF ASSEMBLY

Tuesday, April 17, 1984

Pursuant to the adjournment, the House of Assembly met at 2.20 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)

Mr. L. E. Sandiford, M.A. (Econ.), J.P.

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. V. L. Johnson, M.A., (Minister of Transport
and Works)

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, Sport and Community Services)

Hon. Dr. R. L. Cheltenham, M.A., M.Sc., (Econ.),
(Minister of Agriculture, Food and Consumer Affairs)

Mr. P. M. Greaves, B.A.

Mr. R. E. Brathwaite

Dr. D. G. Blackman, B.A., M.A., PhD.

Mr. W. O. Franklin, A.I.A.S., J.P.

Mr. N. K. Simmons

Mr. H. A. Blackman

Mr. A. Truss

Prayers were read by Fr. G. E. Vaughan.

MINUTES

Mr. DEPUTY SPEAKER: The Minutes of the
meeting of Tuesday April 3, 1984.

Hon. L. S. CRAIG: Mr. Deputy Speaker, I beg to
move that the Minutes of the meeting of April 3, 1984
be taken as read.

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

*Mr. B. M. TAITT entered the Chamber and took
his seat.*

ANNOUNCEMENTS BY HIS HONOUR

Mr. DEPUTY SPEAKER: I am to announce that I
have received Accounts and Statements for the month of
February, 1984 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 Barbados Economic Report, 1983.

Hon. L. R. TULL: Mr. Deputy Speaker, I beg to
lay:

The Rules of the Supreme Court (Amendment)
Rules 1984.

GOVERNMENT NOTICES

Hon. L. S. CRAIG: Mr. Deputy Speaker, I beg to
give notice of the following:—

A Bill to amend the Land Development Duty Act.

A Bill to amend the Road Traffic Act, 1981.

A Bill to regulate the purchase and disposal of
agricultural produce in Barbados.

FIRST READING OF BILLS

On separate motions of Hon. L. S. CRAIG, seconded by Hon. H. B. St. JOHN, the following Bills were read a first time:—

A Bill to amend the Land Development Duty Act.

A Bill to amend the Road Traffic Act, 1981.

A Bill to regulate the purchase and disposal of agricultural produce in Barbados.

Hon. H. deB. FORDE entered the Chamber and took his seat.

ORAL REPLY TO QUESTIONS

Hon. L. S. CRAIG: Mr. Deputy Speaker I beg to give notice that the Reply to Parliamentary Question No. 4, asked by the Right Honourable Member for St. John, is now ready.

Also, the Reply to Parliamentary Question No. 2 asked by the same Honourable Member is now ready.

SUSPENSION OF STANDING ORDERS

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

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

GOVERNMENT BUSINESS

COMPULSORY ACQUISITION OF LAND AT THE JUNCTION OF DOVER AND HIGHWAY 7, CHRIST CHURCH

Order No. 4 was called – To move the passing of a Resolution to approve the compulsory acquisition of land at the junction of Dover and Highway 7, Christ Church

Hon. L. B. BRATHWAITE (St. Andrew): Mr. Deputy Speaker, this Resolution is one of a continuing series of Resolutions which seek to bring some order to the road system in this country by way of straightening bad curves, bends, corners, widening or putting in pavements.

It is a simple and straightforward Resolution, which seeks to acquire two small portions of land from two separate persons – one – 149 square metres and the other 18.7 square metres – between the areas of Dover and Highway 7. This used to be a very critical junction.

Quite a number of accidents have occurred at this junction, and the Government thought it was wise to acquire the lands there in order to have the area adjusted and to help reduce the incidence of accidents.

The owners involved were written, and asked to donate the lands since they were not large amounts. But the Government received no response, and therefore set about to carry out works in the area, and this Resolution seeks to bring about the acquisition of these portions of lands.

I do not think it is controversial, and I beg to move that this Resolution do now pass.

Hon. H. B. St. JOHN (Christ Church East Central): Mr. Deputy Speaker, I have pleasure in seconding this Resolution. Anyone who knows the area would be able to testify to the wisdom of Government in removing this definite danger to the users of the highway in this area. Of course, Highway 7 is a very busy highway, and with the remedial action taken on this junction just after the area of Highway 7 at the St. Matthias Junction has been remedied, it means that there only remains one or two other blind corners to be dealt with on this highway.

I know that the Ministry of Transport and Works and the Ministry of Housing and Lands have been alerted to the danger that is posed at the junction of Highway 7 and Welches Road. Very soon I expect that that junction will also be dealt with in the same manner in which this one has been dealt with.

Hon. H. deB. FORDE (Christ Church West): Mr. Deputy Speaker, I take the opportunity to state that perhaps most of the blind corners which exist along this main highway running from Bridgetown to the airport exist in my own constituency. The start at St. Matthias, although welcome, is a reminder that there is a great need to remove the blind corners on the one side of Hart's Gap, at Browne's Gap, at Garden Gap No. 1, to deal with the very serious problem existing around the corner near to St. Lawrence and Worthing View, where the Graeme Hall Swamp empties into the sea, and the other blind junction of the same nature at Thornbury Hill. They pose serious problems to the traffic, and I am glad to hear that the Ministry has concrete plans for dealing with these problems, and I would hope that the proposals will be implemented within the current financial year.

2.30 p.m.

The debates of this House are replete with my pleas from 1971, when I first entered this Chamber, up to today, for dealing with these problems, and I will continue to emphasise them strongly. So I must again, in the interest not only of the constituents and the residents of the area, but in the interest of the island as a whole and

for the improvement of traffic, ask that early consideration be given to the other blind junction along this main highway.

Hon. V. L. JOHNSON (St. Michael West Central): Mr. Deputy Speaker, I just want to inform the House that the Ministry of Transport and Works is at the moment involved in negotiations with the World Bank, and the primary purpose of that is to have funds to upgrade our highway systems. We are conscious of the danger that exist not only on Highway 7, but on some of the other major highways in Barbados, and it is in response to the dangers that have existed on Highway 4 for such a long time that we decided within this financial year to improve the situation at St. Matthias and at Dover Corner.

Highways 7, 6, 5, 1, 1A, these major highways, are going to be upgraded under the World Bank programme to which I have just referred, so honourable Members, who have anxious moments with respect to the present dangers that exist on highways that run through their various constituencies, can be assured that, as part of the general review of highway conditions, these problems will be redressed, and this programme is slated to start in this current financial year.

Hon. L. B. BRATHWAITE: Mr. Deputy Speaker, while I agree entirely with the honourable Member who has just sat down, whenever we go to the World Bank or any other lending agencies, we certainly have to pay the money back. I want to appeal to Barbadians who have properties situated in the various areas where there are dangerous corners not to seek to extract their pound of flesh and also their drop of blood from the Government in price negotiations, because in the final analysis, the properties are improved as a result of the improvement of these corners and the conditions generally within the area.

I do not believe that I am exaggerating to say that no Government in the history of Barbados has done more in terms of road improvement than this Government. I suppose it is agreed that we have carried out a considerable programme in terms of straightening bad corners and removing these death traps, and I assure this Honourable House that we will continue to do so, be it on Highway 7 or Harts Gap. So long as a danger exists to human life, it will be the policy of this Government to ensure that all these dangerous areas are put right.

There is, however, always the question of the difficulty of getting people to agree, as in the case of these two parties concerned in the Resolution we have just brought here this afternoon. They were written on this matter asking them to donate the land if possible, but the Government got no response from them, I would hope that in the future, it will be easier for the Government in terms of negotiations and in terms of a better price.

I recall very recently that the Government was able to carry out some very good improvement at the St. Matthias Gap on Highway 7, and the owners of the land there were extremely co-operative. There are times when people are willing to donate the land, and even when it comes to guard walls, so long as we would put back the guard walls in good condition, they are always willing to concede something. But there are others who are reluctant and unwilling, who are prepared to go to extremes, and who make it extremely difficult for the Government to acquire the land for the improvement of road conditions within the area.

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

THE CHILD CARE BOARD (AMENDMENT) ACT, 1984

Order No. 3 was called – To move the second reading of a Bill to amend the Child Care Board Act, 1981.

Hon. DeL. O. BRADSHAW (St. Michael South East): Mr. Deputy Speaker, there are two proposed amendments to the Child Care Board Act. One deals with the preservation of the rights and conditions of staff members. They have asked that their rights and conditions of service be regularised, and it was thought that the best way to do so would be to have the same rights which existed under the Statutory Boards Service Commission, which was abolished in 1982 by the Statutory Boards (Miscellaneous Provisions) Act. It is also felt that at the same time we should seek to bring the matter of appointments, in this case the appointment of the Deputy Chairman, in line with what is the norm in statutory corporations.

As it now stands, the Child Care Board appoints the Deputy Chairman. With other statutory corporations or statutory bodies, usually the Chairman as well as the Deputy Chairman are both appointed by the Minister. So this proposed amendment merely seeks to regularise this policy.

I do not think there is much more to be said at this stage on the amendment. I think it is pretty straightforward.

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

Mr. J. G. ODLE: I beg to second that.

Mr. B. M. TAITT (St. Michael West): Mr. Deputy Speaker the Minister in his introduction of this amendment says that the employees have sought to have the terms and conditions which they have before regularised.

One would hope that he would have given some detail as to some of the problems and some of the details of the regularisation which they are seeking.

According to the amendment which we are about to pass, the persons are now being deemed to have been appointed by the Board and shall continue to be employed on terms and conditions that are the same or no less favourable than those on which they were employed immediately before the commencement of the Act.

2.40 p.m.

I think that in order for us to bring the full gamut of our attention to this Bill, we ought to have some indication as to what the problems are. This seems to be a reverse of the problems which arose in another instance, where the persons from a statutory board or statutory body were deemed to have been appointed in another way.

It seems to me that we have not, in fact, heard from the Minister what are some of the conditions that are the same or no less favourable. It seems to me that the mere statement that that is what exists will not necessarily mean that that is what will come to pass.

I wonder if the Minister would indicate what are some of the differences or anomalies which cause the employees to seek this particular redress, and what steps are being taken to ensure that those anomalies and/or conditions are the same.

We are not opposing the amendment. We are merely seeking to find out what precisely are the problems, less we give assent to it blindly, only to discover subsequently that there have been specific difficulties which we have not addressed while passing this amendment.

Hon. H. B. St. JOHN (Christ Church East Central): Mr. Deputy Speaker, I believe that from time to time this problem of the transfer to central government from statutory boards and transfer from central government to statutory boards will arise. Honourable Members will recall that there have been a number of instances in which this has occurred. When Local Government was created in Barbados in 1958, employees in the Vestry were transferred to the Councils. It occurred when Local Government was abolished in 1968, when Council officers were transferred to the Central Government. It is occurring now with the Child Care Board, which used to be a service operating under Local Government.

Honourable Members will also recall that there was a Local Government Service Commission. Having abolished Local Government and the Local Government Service Commission, you had to replace it by something, so you replaced it by a Statutory Boards Commission.

The Statutory Boards Commission was in existence for one or two boards which were created to perform the services when Local Government was abolished.

As is usual, as was the case when these instances occurred under the transfers to the Vestries from Local Government, from Local Government to the Central Government, and then from the Central Government to the statutory boards, maximum consultation takes place. So, really and truly, the employees and their unions set out to seek to preserve the pre-existing conditions, and a formula has been developed, which is embodied in the legislation. The words are very familiar — that the terms and conditions that you had immediately before go over, or that you must be employed in the new conditions in no less favourable terms and conditions. There is no difficulty about that.

The point is that while we are trying to give effect to a union agreement, periodically we will have one or two little aberrations. Parallel with that, just as when you had the Local Government and you had compensation regulations for abolition of office, so too in cases like this, when you are transferred from the statutory boards with a Service Commission to the new Child Care Board, if you are able to show that you have different terms and conditions, you go under the Abolition of Office provisions. There are regulations in existence which will deal with that.

So all we are trying to do is to give effect to prior agreements. We wish to ensure that no person at all who is now called upon to serve is called upon to serve in a situation in which his or her terms and conditions are less favourable than they were before.

Hon. DeL. O. BRADSHAW: Mr. Deputy Speaker, the Deputy Prime Minister has given an explanation to the question raised by the honourable Member for St. Michael West (Mr. B. M. Taitt).

I got the impression that he was seeking to find out whether there were any problems with terms and conditions or any problems at all relating to the work. As far as I know, I am not aware of any problems. I think that the staff is only too happy to work with the new Board and the new arrangements have been rather smooth since the transition from the old Child Care Board to the new Child Care Board.

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

On the motion of Hon. DeL. O. BRADSHAW, seconded by Hon. V. L. JOHNSON, Mr. DEPUTY 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 4 inclusive were called and passed.

On the motion of Hon. DeL. O. BRADSHAW, seconded by Hon. V. L. JOHNSON, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.
2.50 p.m.

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

SUSPENSION

Hon. L. S. CRAIG: Mr. Deputy Speaker, I beg to move that this sitting be suspended until 3.58 p.m. this evening, when the Minister of Finance will present his Budgetary Proposals.

I have informed my colleague, the Deputy Leader of the Opposition, of certain formalities which we propose to follow, and I am hoping that during the course of the debate over the next two days we can modify our arrangements as we go on. We have always had a very cordial working relationship, and I have no doubt that this will continue over the next two days.

I beg to move that this sitting be now suspended until 3.58 p.m. this evening.

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

RESUMPTION

Mr. DEPUTY SPEAKER: This sitting is now resumed.

Hon. L. S. CRAIG: Mr. Deputy Speaker, with the leave of the House, I shall be grateful if you would allow us to revert to Orders of the Day, since I have to give notice of a Resolution.

Mr. DEPUTY SPEAKER: If there are no objections, leave is granted for the giving of a Resolution.

Hon. L. S. CRAIG: Sir, this Resolution seeks to carry out the same procedures which were adopted last year for the Budgetary Proposals. The only amendment from last year is the date. I have indicated to my colleague that it was my intention to deal with the pro-

posals in this manner, and I beg to give notice of the appropriate Resolution.

In so giving notice, I would also be seeking leave to deal with it in all of its stages. This is only a formality, which I drew to the attention of my distinguished colleague on the other side of the House, and I have no doubt, though he had certain reservations on that occasion, that he will give it his support.

Mr. DEPUTY SPEAKER: If there are no reservations, leave is therefore granted for the Resolution to be dealt with at this time.

RESOLUTION RE ORDER OF SPEECHES
ON BUDGET DEBATE

Order No. 1(a) was called – to move the passing of a Resolution to further order speeches for the better organization and administration of the debate on the Annual Financial Statement and Budgetary Proposals.

Hon. L. S. CRAIG: Sir, without any further ado, I beg to move that the Resolution do now pass.

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

Mr. L. E. SANDIFORD (St. Michael South): Mr. Deputy Speaker, I rise to object to the whole scope and intent of this particular Resolution, and the way in which this matter is being dealt with.

First of all, let me say that this House has a Standing Orders Committee, which is expected to deal with matters relating to the Standing Orders, rules governing debate, and other matters relating to the procedures in the House. This was a Committee that was set up when Parliament sat sometime last year, following upon the address of the Governor-General by way of the Throne Speech.

We have always had a Standing Orders Committee to deal with these matters. If anything is wrong with the Standing Orders, I am submitting that it is incumbent upon those who see something wrong with the existing Orders to come before this Honourable Chamber and have the matter referred to the Standing Orders Committee, so that it can be studied and then a report made to the House.

To the best of my knowledge, no meeting of the Standing Orders Committee has been summoned to deal with this matter. Yet again we are seeing the incompetence with which this Government is handling the affairs of this country. They are treating this Parliament with scant disrespect and a lack of dignity. The rights of the Opposition are being eroded. We dealt with the matter of

Grenada, and we had no notice of the particular Resolution dealing with it. Here we are having a matter relating to the debate of the Financial Statement and Budgetary Proposals — and the procedures which should be followed are being ignored!

We are either going to follow the Standing Orders, or we are going to have matters dealt with through the usual channels, which means that there should be discussion on these matters between Government and the Opposition. But no! Not one word have we heard of any Resolution relating to Standing Orders being introduced, when it would have been known that this is an area of controversy!

4.05 p.m.

Last year, the Government attempted to bring in this matter, and they gave very little notice of it. We objected on that particular occasion, and we pointed out the procedure which should be followed in this case, that there is a Standing Orders Committee.

Here again, we are dealing with a Resolution which has only been produced here today, and I fail to understand how the Government can manage the affairs of Parliament in this particular way, when, in fact, common courtesy would suggest that the Resolution should be circulated, or if we are not dealing with it by way of Resolution, discuss it through the usual channels. Neither of these courses has been followed, and I am objecting most strenuously. We will have to vote against this particular approach to dealing with the matter. It is not the first time that it has come up, and therefore we do not believe that the matter should be dealt with in this particular way.

Now, in terms of the proposals in the Resolution itself, I did indicate to the Leader of the House that we would be objecting to the arrangements in this particular Resolution whereby the person speaking after the Prime Minister and Minister of Finance, for the Government that is, would be given one hour, contrary to the Standing Orders as set out by this Chamber, and we are objecting to that. We believe that all Members should be given equal time in this particular debate, and there is absolutely no reason why any Member should be put in a favoured position in relation to any other Member, except those persons who are speaking first for Government and for Opposition.

We are setting out this particular matter as a matter of principle. We are saying that this matter must be dealt with in the proper way. We do not believe that this is the case at this particular time. We will go on record in support of that.

Rt. Hon. J. M. G. M. ADAMS (St. Thomas): Mr. Deputy Speaker, speaking as one who perhaps has greater

experience speaking in Budget debates than anyone else now present in the Chamber, I can only say that I support this Resolution, which seeks to introduce exactly the same procedure as we used last year. The Leader of the Government speaks for a time, a member of the Opposition in reply to him speaks for the same time, the person who speaks second on behalf of the Government speaks for an hour, and the person who speaks last on behalf of the Opposition also speaks for an hour. That is what the Resolution says.

Even before we introduced and formalised the expression of fair play, we used to offer to the Opposition the right for their last speaker to wind up for an hour before the Government's last speaker.

My memory of these debates goes back to being told that I had to reply *instantum*, that I was not to be allowed even ten minutes to make a reply. My memory of these debates goes back to Mr. Peter Morgan, contrary to the rules of the House, speaking from within the Chamber to the television technicians and telling them to pull out the plug while I was speaking. My memory of these debates goes back to when the time limit was introduced.

I think that an unfortunate element — knowing the honourable Member for St. Michael South (Mr. L. E. Sandiford) I cannot possibly call it grandstanding before the television cameras — has been introduced on this occasion, but the Government has absolutely no intention of allowing its case to go by default in this matter. We are seeking to pass the same Resolution as was passed last year, to maintain the same procedure as was maintained last year, indeed as we have tried to maintain since 1977.

I can only say, Mr. Deputy Speaker, that I support this Resolution, I support the right of the Opposition to have one speaker who speaks for unlimited time, to have one speaker who speaks for an hour, and for all their members to speak.

Hon. L. S. CRAIG: Mr. Deputy Speaker, the comments made by my colleague, the Deputy Leader of the Opposition, would reveal that there was no discussion between him and me. A letter was sent to the Leader of the Opposition indicating that we were going to use the same procedures this year as we used last year. I held a meeting with the Deputy Leader of the Opposition in my office and we drew up a plan as to how best we should be able to handle the arrangements. He did indicate, however, that he was going to object to one or two aspects of the Resolution, but to bring in Grenada and things of that nature.....

Mr. L. E. SANDIFORD: On a point of order, Sir: The Leader of the House has just said that I indicated that I would object to one or two aspects of the Reso-

lution. We never discussed any Resolution. We were discussing arrangements for the debate, not a Resolution.

Mr. DEPUTY SPEAKER: That is not a point of order, that was a point of explanation.

Hon. L. S. CRAIG: Sir, the Resolution which is before us is part and parcel of the debate. That is the point. Therefore, I dealt with the Resolution while I was discussing this matter, and I am more than amazed to hear the grandstanding this afternoon by my colleague, for whom I still have some respect.

I give him this undertaking on the floor of the House this afternoon. I have no plans in the future of discussing anything of this nature with you or any member of the Opposition. It is as simple as that, because I have lost confidence in you.

I beg to move that this Resolution do now pass.

The question was put and resolved in the affirmative, the House dividing as follows:

Ayes: Rt. Hon. J. M. G. M. ADAMS; Hon. H. B. St. JOHN; Hon. L. S. CRAIG; Hon. L. R. TULL; Hon. L. B. BRATHWAITE; Hon. Miss B. A. MILLER; Hon. Dr. R. L. CHELTENHAM; Hon. V. L. JOHNSON; Hon. DeL. O. BRADSHAW; Dr. D. G. BLACKMAN; Hon. H. deB. FORDE; Mr. R. E. BRATHWAITE; Mr. A. TRUSS; Mr. L. L. SISNETT; and Mr. J. G. ODLE – 15.

Noes: Mr. L. E. SANDIFORD; Mr. B. M. TAITT; Mr. H. A. BLACKMAN; Dr. R. C. HAYNES; Mr. P. M. GREAVES; Mr. W. O. FRANKLIN; Mr. N. K. SIMMONS; Mr. M. A. KING; and Mr. L. A. WEEKES – 9.

THE ANNUAL FINANCIAL STATEMENT AND BUDGETARY PROPOSALS

Order No. 1 was called – To present the Annual Statement and Budgetary Proposals.
4.15 p.m.

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

The year 1983 will surely be recorded as one of the most eventful and traumatic in the history of the English-speaking Caribbean. It was a year in which we faced the most profound challenge yet to our social and political system and cherished democratic traditions, a challenge we met with fortitude and unity. There could be no better illustration of our maturity as a people and our readiness to accept the responsibilities of nationhood.

In global terms, 1983 was also significant as it marked the beginning of the end of the worst recession in the international economy since the second World War. Not all countries shared equally in the recovery, which was most marked in the U.S., but the OECD countries, as a group, recorded positive growth of 2.5% of GDP, with Japan and West Germany having the highest rates of growth of output after the U.S.

Although there is an inevitable lag in the expansionary impact of growth in the industrialized world on the demand for goods and services in the developing countries, the nature of the recovery presently underway suggests that the effects of OECD growth may not be as positive for the Third World as with previous recoveries. For those developing countries, which export manufactures, access to the U.S. market, and indeed to the markets of the EEC, is being impeded by increasingly more stringent barriers to trade. For those who rely on the export of basic commodities, the combination of surplus production, improvement in technology and high interest rates has resulted, in some cases, in depressed price levels.

While, therefore, there are signs of light at the end of the tunnel for many developing countries, especially in Latin America and in Africa, inability to increase export

earnings, coupled with the crushing burden of debt service, led to the imposition of draconian austerity programmes and requests for rescheduling of debts.

In Barbados, 1983 saw output stabilized after two years of consecutive decline, and were it not for external developments outside our control, such as the virtual abandonment of the principles of free trade by some of our CARICOM partners, the result would have been better. As it was, the economy recorded a mixed, but, on balance, not unfavourable performance, given the constraints it faced. While unemployment rose, the rate of inflation slowed dramatically, and both the balance of payments and fiscal situation improved. The stabilization programme, implemented with the assistance of the IMF, was successfully completed on 31st March, 1984, and despite the lamentations of the Jeremiahs, the economy in 1984 is better poised to take advantage of the upturn in the international economy than if, perchance, we had followed the misguided and misleading policies which were recommended as an alternative to the stabilization programme supported by the IMF.

INTERNATIONAL ECONOMIC DEVELOPMENTS IN 1983

While the world economy continued to experience the effects of the international recession in 1983, there was increasing evidence that a broad-based recovery was under way. Overall, world economic output rose about 2.0% in the year, up from 0.9% in 1982. The turn around was most evident in the USA, where growth was running well ahead of forecast expectations; and that country's huge trade deficit, of about \$65 billion in 1983, acted as a major stimulus to growth in the other industrial countries.

The situation in the developing countries was more mixed. Growth was fairly strong in the newly industrialised Pacific Basin countries and in India, but there remained grave difficulties elsewhere. Latin America continued to struggle with its severe debt problems, and while some progress was made, it was at tremendous human cost. Many African economies were caught in the worst economic crisis since they gained independence, while the effects of war and weak oil prices wracked the Middle East. Overall, real GDP in developing countries was estimated to have fallen 0.6% in 1983.

At this point there was a power failure.

SUSPENSION

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

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

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

ON RESUMPTION

Mr. DEPUTY SPEAKER: This sitting is now resumed. The Honourable Prime Minister may continue.

Rt. Hon. J. M. G. M. ADAMS: It seems that we have to have an adventure with the Budget every five years.

For major industrial countries, however, 1983 was a good year. Together they achieved a 2.5% increase in real GDP, up from 0.5% decline in 1982. The recovery was led by the USA, with a 4.5% rise in real GDP and a strong 16% increase in industrial production. Increases in consumer spending, and growth in exports to the USA, enabled Canada to recover from its worst post war recession. The improvement in Canadian real output was

placed at 3.0%, following the 4.3% slide in 1982. Despite growing world protectionism, Japan's current account surplus expanded to US\$21.0 billion in 1983. The rise in exports offset weak capital investment and the economy grew by 3.0% equalling the real growth rate for 1982. In West Germany, stronger investment in housing and capital equipment, and a turn around in consumer spending, raised real GDP from the - 1.2% recorded in 1982 to 2.5% in 1983, while in the U.K., a resurgence of business confidence raised real output by 2.5%, a significant improvement over the 0.9% showing in 1982.

Unemployment levels in the OECD countries started to decline in the last half of 1983 after rising continuously for the previous two years, at averaged 9.0% for the year. The most significant drop occurred in the USA, falling from 10.5% in 1982 to 8.2% in 1983. However, world unemployment levels remained high, increasing by an estimated 9.5% in 1983, following the 8.9% in 1982.

The downward turn in world inflation rates which started in 1981, continued into 1983, but at a slower rate. Having fallen an estimated 8.0% in 1982, the fall slowed to 6.0% a year later. Most industrial countries experienced inflation rates below 5% in 1983.

Encouraged by the robust US recovery, commodity prices showed some improvement in 1983, in contrast to 1982, when the global recession and abundant harvests severely depressed prices for industrial materials and foodstuffs. On average, prices rose 20% above 1982 levels, however, the pattern was uneven. The US upturn in automobiles and housing galvanised metal markets, but droughts in the northern hemisphere battered world grain, and oil seed markets, which were characterised by heavy stocks and depressed prices.

REGIONAL ECONOMIC DEVELOPMENTS IN 1983

There was little or no economic growth in the Caribbean region in 1983. The region continued to be adversely affected by numerous internal and external problems which inhibited the growth potential of its mainstay export sectors. Despite some improvement, commodity prices remained generally low. Economic growth and foreign exchange differentials between industrial countries tended to depress export earnings. High international interest rates sharply raised debt servicing burdens and trade protectionism heightened.

Export agriculture in the Caribbean stagnated in 1983, in spite of increases in output and prices for some commodities. The regions' 1982/83 sugar output fell by 5% to 764 000 tonnes. Belize was the only major producer recording an increase in output, which amounted to 7.7%, but, as occurred in other sugar producing countries, lower prices and adverse exchange movements served to reduce earnings. Banana exports from the region increased by 13.6% as St. Lucia, Jamaica and the Windward Islands stepped up export volumes.

Oil production in Trinidad and Tobago fell by an estimated 9.0%, chiefly because of lower international prices. Barbados' domestic oil production rose 48%, and associated natural gas by 81%. Output of bauxite in Jamaica and Guyana fell 7.0% during the year,

in the face of weak international demand. This represented the third successive year of decline in the industry, which has been forced to resort to special arrangements (including barter) to market the commodity.

Economic recovery in the industrial countries resulted in a general rise in tourist arrivals in the Caribbean area. The sharpest increases were 22% for Jamaica, 16.4% for Antigua and 15% for the Bahamas. Most other destinations registered between 6% and 9% increases in tourist arrivals.

THE BARBADOS ECONOMY

The performance of the Barbados economy during 1983 must be viewed from the perspective of an open economy, heavily dependent on trade with its major trading partners during a period of adverse economic conditions, a period during which most economies struggled to maintain at least their basic infrastructure in order. Despite the efforts of Government to motivate and sustain activity in the productive sectors of the economy, these were countered by more powerful international forces, which joined to reduce, and partly obscure, the Government's thrust. These forces included high international interest rates, the existence of obstacles to regional trade and the slow recovery in the industrialised world, with its retarding effect on recovery in the developing countries.

Provisional data show that, during 1983, the Gross Domestic Product of Barbados was \$1.9 billion at factor cost, increasing by 6.2% over the 1982 figure. This nominal increase in GDP was borne primarily by the manufacturing sector, which accounted for 13.3% of total GDP, up from its 12% share in 1982.

Real GDP remained essentially unchanged at \$749.2 million, as compared with \$749.1 million in 1982. Two of the major foreign exchange earners – tourism and sugar – recorded negative real growth in 1983, while output in the manufacturing sector increased only marginally. As in 1982, the non-sugar agriculture sector was the only sector to achieve any significant real growth.

Despite a sharp increase in tourist arrivals, there was no matching increase in tourist expenditure, as the increased numbers, on average, spent less time in the island. The U.S.A. tourist market was almost wholly responsible for the increase in visitor arrivals improving by 51%, reflecting the earlier and stronger recovery of the U.S. as compared with the Canadian and European economies. The market for long-stay European visitors was depressed as European currencies declined against the strong U.S. dollar, thereby making European tourist travel to those Caribbean destinations which are linked to the dollar increasingly expensive. The result was that real output in the tourism sector declined by 2.0%.

Another poor performance was turned in by the sugar industry, with production falling by 3.2% below the 1982 level and the guaranteed prices, under the LOMÉ II Agreement with the EEC, down by 3.3%. Actual production of sugar and molasses was 3.5% lower at 86 000 tonnes despite reasonably good harvesting conditions and the reduced incidence of cane fires during the year. These results reflect the accumulated effect of a series of problems created in previous years, such as damage to the soil from excessive cane burning and compaction of the soil. The efforts to reduce cane burning must be greatly commended, as only 4% of the crop was destroyed by fire in 1983 as compared with 14% in each of the previous two years. Real output in this sector was \$36.0 million, contributing 4.8% of total GDP. There was a sharp drop of 32.2% in gross output from the small cane growers, indicating the reduction in activity among small holders.

For the third successive year, non-sugar agriculture recorded favourable real growth, contributing \$33.1 million or 4.4% to total real GDP. This sector is more domestically oriented, and does not react to international movements in the same manner as the outward-looking sugar sector. The real growth of 15% in this sector resulted from the steady increase in the production of vegetables realised since 1980; an increase in livestock production and from an exceptionally strong growth of output in the fishing industry. With the modernisation of Barbados's fisheries, including the completion of the new fishing terminal at Oistins, and the introduction of more fishing vessels with refrigeration facilities, and which can venture further out to sea for longer periods, fish landings have so significantly increased that the existing market facilities were stretched to the limit of their handling capabilities. Output in the fishing sector increased by 88.2%.

Simultaneous with the exceptional performance of the non-sugar agriculture sector and, in particular, vegetables and other food items, average food prices in Barbados by March, 1983 dropped to their lowest level for 12 months.

Real output in the manufacturing sector increased marginally by 1.9%, due largely to the good performance of the electronics subsector, where output rose by 54.4%. The other subsectors failed to improve on their 1982 performance. Sales of manufactured goods to the region were reduced, following the imposition of restrictions in Trinidad and Tobago and Jamaica to the smooth flow of trade with these countries, while payment problems arose in the light of the breakdown of the CARICOM Multilateral Clearing Facility (CMCF).

Real activity in the construction sector slowed by about 1% following the slow-down in public building activity and the shortage of mortgage finance for private building.

Gross Domestic Product, at market prices, reached \$2.124 billion, increasing by 6% over 1982, without any significant increase in net indirect taxes. Reflecting the tight economic situation, investment expenditure dropped by 6.5% from \$450.5 million in 1982 to \$421.2 million in 1983, while total consumption expenditure increased by

8.1%. However, the increase in consumption expenditure was largely in the personal sector, as Government was able to contain its consumption growth to only 3.6% during the year – well below the inflation rate.

Prices

With the exceptionally strong performance of the non-sugar agricultural sector providing abundant domestic food at reasonable prices; and with the very slow movement in the prices of imported goods, the rate of inflation was kept at a very low level in Barbados during 1983. By March, 1983, average prices were on a downward trend and at the end of the year the average rate of inflation was 5.3% as compared with 10.3% a year earlier. On a point to point basis, at December, 1983, the rate was 5.5%, the lowest level for many years. Average food prices rose by no more than 2.7% for the year, and as this group actually has the greatest weight in the price index, its movement has a very strong influence on the overall retail price indicators. This figure is the lowest on record since the system of calculation was modernised in 1965, and it is worth noting that food prices have fallen 3.3% in the first three months so far of 1984.

Unemployment

The employment situation in 1983 was largely conditioned by the slow pace of international economic activity, which severely restrained output in the major sectors of the domestic economy, thereby limiting the employment generating capacity of the country. During the last quarter of the year, the rate of unemployment was 15.8%, increasing from 13.3% for the same period in 1982. The labour force declined slightly from 111 800 persons in 1982 to 110 500, but the number of persons employed fell from 96 900 at the end of 1982 to 93 000 persons in 1983. The participation rate of adults in the labour force remained high, despite a small 1% drop to 63.3%, and the number of persons actually in jobs was therefore very high for a Third World Country.

Female unemployment, which increased from 16.5% in 1982 to 21.7% in 1983, was the factor responsible for the increase in the overall rate. There were declines in the number of persons employed in the wholesale and retail sectors, and in several of the manufacturing subsectors, which suffered because of the regional trade impasse; but employment in the utilities; in transport and communication; in construction and quarrying; as well as in the services sectors generally, actually increased.

Balance of Payments

The balance of payments, though under strain, recorded a surplus for the second successive year, but of a considerably reduced magnitude. The balance on the current account improved significantly, moving from a deficit of \$83 million in 1982 to a deficit of \$25 million in 1983. Domestic exports were some 30% higher than in the previous year. Nominal receipts from exports to the U.S.A. increased from \$153.1 million to \$241.7 million, or by 57.9%, while exports to the second major market, were down by 1.6% following the trade impasse in CARICOM. Imports increased by 12.9% during the

year. They had actually declined during 1982. This higher level in 1983 was mainly in the form of capital goods required for major capital projects such as the Heywoods Holiday Village and the Arawak Cement Plant. Imports of consumer goods also expanded, as more motor vehicles were brought into the Island.

Capital inflows were 43% lower at \$97 million, of which long-term capital accounted for \$70 million. Short-term inflows were reduced by 33%, and in 1983, Barbados actually became a net lender of short-term funds to the rest of the world.

Foreign reserves increased by \$32 million to reach a total of \$220.4 million at the end of the year, an amount which can accommodate 10.3 weeks of retained imports. However, this offers no great comfort, since some \$120 million of these foreign reserves are tied up in the form of illiquid or unusable CARICOM Multilateral Clearing Facility (CMCF) credit balances, which our colleagues are unable to pay or unwilling to make arrangements to settle.

Monetary Review

Government's monetary strategy in 1983 sought to create conditions adequate for capturing the benefits of the anticipated upswing in the international economy, through providing financing for the productive sectors at reasonably low costs; and by maintaining its control on the balance of payments via a process of selective credit controls, mainly on the personal and distributive sectors. However, some latitude was given to credit to the retail sector later in the year, and the restriction on bridging finance for home construction was removed. To complement its monetary strategy, Government borrowing from the banking system was lower by some \$20.1 million at the end of the year, thus releasing funds for the needs of private borrowers.

Total deposits in the commercial banks grew by 7.0%, a rate which was about the same as in 1982. With a much faster growing demand for credit, however, commercial banks were faced with a shortage of funds for on-lending purposes.

A balance had to be struck on interest rate policy in 1983, in order to guard against the outflow of funds by foreign investors in the light of too large a differential between domestic interest rates and those elsewhere, but taking account of the decline of those foreign rates. The average lending rate was reduced in two stages, from 13% to 12% at the end of April and to 11 ½% by June 30, 1983. Also, the minimum interest payable on savings deposits was lowered to 5%.

Financial Review

I turn now, Mr. Deputy Speaker, to the general review of the domestic financial year ending March 31st, 1984.

The current revenue for the year was originally estimated at \$508.6m. During the 1983 budgetary proposals, a number of measures were introduced with the intention of making a net contribution to the revenue of approximately \$17.6m. Also, Gross Domestic Product increased in nominal terms from \$2.01 billion to \$2.12 billion and, as would be expected, Government's revenue benefitted.

Provisional data show actual collections at March 31, at \$539.7m. This represents an increase of \$42.8m or 8.6% more than the revenue collected during 1982-83.

Expenditure

Current expenditure for the financial year 1983-84 was estimated at \$515.4m. During the year, supplementary provisions were approved for \$23.9m, making the total current expenditure authorised by Parliament \$539.3m.

Throughout the year, various steps were taken to restrain the growth of current expenditure in order to generate a reasonable surplus on the current account which could be used to finance a portion of capital expenditure.

Those measures have been successful, and current expenditure at 31st March, is provisionally estimated at \$519.0m, compared with \$528.4 for the year 1982-83. The out-turn shows the first decrease in current expenditure for many years, of \$9.4m or 1.8%; and even though a few adjustments are still to be made, it is not expected that the current account surplus will be much less than \$20.7m.

When the Capital Estimates were presented to Parliament last year, expenditure was estimated at \$122.8m. During the year, supplementary provisions of \$33.9m were approved, making the total authorised capital expenditure \$156.7m.

Provisional figures indicate that the year's actual expenditure, including net lending, was \$125.2m. As a result, the overall deficit for 1983-84 was \$104.5m, or 4.9% of GDP, instead of \$129.6m, or 5.9% as originally anticipated.

Mr. Deputy Speaker, the figures which I have so far given reflect the traditional approach to calculating the country's financial condition, namely transactions in and around the Consolidated Fund. However, in international reckoning, the financing of the Government's social security programme – which means in our case National Insurance – is usually included in the figures for revenue and expenditure, and Central Government's commercial undertakings – the Airport as well as the Port and Post Office – are expressed in net terms. On this basis current overall revenue would be \$541.8m; expenditure, \$476.1m; capital expenditure and net lending, \$137.6m and capital receipts, \$2.7m. The overall deficit on this basis, which is the International basis of reckoning, would be \$69.2m or only 3.3% of GDP.

Public Debt

Every year, Mr. Deputy Speaker, there is a great deal of discussion on the size of the Public Debt. I have repeatedly explained in this Chamber that there is nothing wrong with a Government borrowing, either locally or on the foreign market to finance projects intended to improve the productive capacity of the economy. This not only helps to provide employment opportunities but, by expanding the economic base of the country, increases our ability to repay the debts themselves in due course.

Projects, such as the Deep Water Harbour, have already generated enough funds to pay for themselves, and have paid for themselves. The Spring Garden Highway, the Oistins Development, Heywoods or the Cement Plant could not have been built without incurring foreign debt. All of them will help to generate or save funds, especially foreign funds, to pay for themselves in due course. Even the National Insurance Building, which was constructed by borrowing funds from the National Insurance Corporation itself, is collecting rent from some tenants and saving the Government rent in other cases. Borrowing is therefore a major economic tool in development.

Having said this, it is also necessary to say that borrowing comes in a number of forms. First, borrowing from the National Insurance Corporation is of the nature of a revolving fund. Effectively, Government foregoes taxes, which are instead collected by the National Insurance Board, in the way of contributions or levies, to finance its statutory duties of paying pensions and other benefits, now being extended to the Drug Plan and the Health Scheme. Some of these moneys, which might have been collected in the form of higher direct and indirect taxation, are instead borrowed by Government from the National Insurance Board and the interest paid goes as income to the National Insurance to discharge responsibilities which the Government would otherwise have had to meet. This is hardly the incurring of debt in a real sense at all, and it accounts for approximately 20% of the present Public Debt, which stood at \$842.1m, at March 31 this year.

The next form is money lent to the Government, mainly by banks and other financial institutions, usually for very short terms, three months in the case of standard Treasury Bills. This is actually compulsory lending, designed for two purposes; first, as a means of compelling the banks to hold reserves on which their structure of credit can rest and, secondly, to provide cash flow for Government. Other local borrowing includes loans for particular projects, or through Government debentures for longer term lending for general capital works.

The other great area of lending is, of course, foreign lending, which arguably, is all that matters in terms of the country's economic health. It is clear that the management of the foreign debt is much more critical than that of local debt, since we must have adequate earnings from our exports to service and amortize the foreign debt – that is to pay interest and repay principal. But even at present when the volume of the foreign debt is at its highest historical level, it is still relatively modest. Of the Public

Debt at March 31, exclusive of the fluctuating Government overdraft at the Central Bank, which is limited to 10% of projected revenue, local borrowings amounted to \$446.4m, or 54.2% of the total, while the remaining \$377.7m or 45.8% was borrowed from foreign sources. This proportion is by no means unusual. As long ago as 1970, 42.5% of the debt was owed abroad.

The profile of the foreign debt has also changed, and for the better. In 1975, over 53% of the foreign debt was held by banks at fully commercial rates, and 46% by foreign governments. Now, it is the international financial institutions, such as the World Bank, the Inter-American Development Bank, and the Caribbean Development Bank, lending for useful projects at concessional rates of interest and longer terms of repayment, which hold 45.9% of our debt, compared to 1% in 1975. Foreign commercial banks and foreign governments are down to 27% each.

Further, at \$23m, the cost of servicing the Government's foreign debt is but 2%, and the cost of servicing all our foreign debts, whether Government guaranteed or purely private, and including capital repayment, is \$99m or only 7.8% of the value of our exports of goods and services. Whatever our balance of payments problems, the problem of excessive foreign debt is not at this time a major contributor to them. Nor is it intended to be, under this Government.

Stabilization Programme

It remains only to say that, as you are aware, Mr. Deputy Speaker, during October 1982, Barbados concluded a standby arrangement with the International Monetary Fund. That agreement, for all practical purposes, came to an end on March 31, 1984, when the Fund was notified that Barbados had satisfied all the performance criteria and was therefore eligible for the final drawing of SDR's 3.9m or BDS\$8.5m. Throughout the life of the agreement, we were able scrupulously to meet the Fund's performance criteria by controlling Government's borrowing from the banking system while the Central Bank kept its net domestic assets within the agreed limits. Barbados therefore, avoided the trauma which is associated with re-negotiating Fund programmes that go off track, and kept well out of the debt trap whose title, rather than its reality, has proved so attractive to uniformed critics.

As a result of the IMF programme and of the measures taken by the Government to monitor and control its expenditure, the stage is now set for the economy to benefit from the recovery in the OECD countries, in particular the USA.

PROSPECTS AND POLICY

I turn now, Mr. Deputy Speaker to the prospects for 1984-85, and to Government policy in the forthcoming financial year. In the recently approved Estimates, current revenue was estimated at \$596.3m or 24.3% of Gross Domestic Product. This

is not a high percentage. In the recent past, Barbados has made considerably greater tax efforts. Even taking National Insurance contributions into account, the percentage of GDP being absorbed by taxation will be only in the region of 27.7%. This is not high for a country where the level of savings proportionate to consumption is relatively low, and where there is a strong need to generate budget surpluses to meet the cost of improved social services, as well as new investment. The best means of dealing with unemployment, in my view, is still to reduce it by new investment. Severance and unemployment pay are vital to the social well-being of the country, but they should not be seen as substitutes for new jobs. I therefore consider that the Government's priorities, now that the line has been held on the balance of payments for almost three years, must be to increase savings, government as well as private, and to generate revenue for this purpose.

Government current expenditure remained virtually stationary in 1983/84, and is estimated at \$567.4m for 1984/85. To this must be added the cost of a wage and salary settlement which has been reached with the National Union of Public Workers for the public workers whom they represent. This is in the amount of 15% on 1982/83 salaries for the year 1984/85, and a further increase of 5% on 1984/85 salaries for the year 1985/86. If extended throughout the public services, including the teaching and uniformed services and the statutory corporations, this will cost \$38m in the first year and a further \$14.5m in the second year. I also propose an increase of 10% in all Government pensions, and this will add \$3.2m to each year's bill. Allowing for a 20% tax recovery from the increased wages and pensions, these developments mean that a further \$32.9m must be added to current expenditure in 1984/85. Funds must therefore be generated to assist the Government in its stated task of paying for the Social Services as well as producing a surplus for capital expenditure, which is projected at \$180.2m for the financial year, excluding the notional sum of \$9.4m provided for capitalising loans made to certain statutory corporations in past years.

Social Services

First, the Social Services. Budgets are usually only about economics, but in dealing with the Government's proposals for financing the social services, I want to outline some of our new policies, and some of the spirit which has informed these policies over the last seven and a half years. My comments and the proposals will cover the areas of Health policy, Education and Social Security, including pensions. For when the achievements of this Government come to be assessed, I am confident that the Olympian strides which we have taken to bring our country to the highest levels of social welfare will be recognised as our greatest success.

Health

In recent weeks the proposed National Health Service has become what advertising agents fondly term "a highly visible product". Accusations and criticisms have been hurled and defended by all sides.

I wish, therefore, to reiterate from the outset that in formulating the National Health Service the Government has been guided only by the fundamental premise that every Barbadian has the same right to the same standard of health care as every other, and that no

one, through poverty or any other economic constraint, should be denied the right to see a private doctor of his or her choice.

Ideals apart, the Government has to face the reality of implementing such a service. We would indeed have been naive had we thought that the introduction of the National Health Service would have been easy. If for no other reason, we are a conservative people when it comes to changing what is established and familiar. This Government, however, has never been afraid nor incapable of implementing its policies; and now that everyone's grievances have been fully aired, I am sure that the Barbadian propensity for compromise will assert itself and the second phase of the National Health Service will successfully be ushered in.

A National Health Service Board will shortly be established to administer the National Health Scheme and, eventually, the Barbados Drug Service. The Board will comprise representatives of the Barbados Association of Medical Practitioners, the Barbados Nurses' Association, the Barbados Pharmaceutical Society, officials of the Ministries of Health and Finance, and other members representing the general interest of the community. It will publish a list of medical practitioners participating in the National Health Service as well as a register of patients assigned to National Health Service doctors, and will have general authority to manage the Service. The Board will also be equipped to handle complaints, and will set out procedures for taking necessary action to ensure the proper and professional delivery of primary health care in Barbados.

It has already been well canvassed that the National Health Service will be implemented in stages. The first phase was implemented with the establishment of the Barbados Drug Service in 1980, and the second phase will provide the services of general practitioners free for persons 65 years and over. When fully implemented, the National Health Service will provide general practice services, free at the point of delivery, to all persons permanently resident in Barbados.

In the final stage, all such residents will be required to register with a General Practitioner of their choice, who will then be required to give them free treatment as needed. This will eliminate the long waits experienced by a large sector of the community presently using the walk-in clinics, District Medical Officers and the overburdened Casualty Department of the Queen Elizabeth Hospital. Consequently, the post of District Medical Officer and the walk-in clinics will be abolished, and the spaces made available to doctors participating in the National Health Service. It is expected that doctors will be contracted to provide the traditional general practice services including 'after-hours' coverage, a service which, sadly, has become increasingly difficult to obtain in Barbados in recent years.

Under the National Health Service, general practice services will be delivered from the private premises of doctors, or from space made available to them in polyclinics, by a team comprising one or more medical practitioners, a clinic nurse and a medical records clerk/receptionist. All doctors contracted by the Board will be paid on a per capita basis for every registered patient, with a greater payment for those registered patients who are

65 years and over. In addition, doctors will be encouraged to set up Group Practices, for which an incentive allowance will be given.

Apart from allowances for continuing education, start-up fees, after-hours service and a scaled seniority allowance, the National Health Service Board will also reimburse doctors for the cost of space in the polyclinics as well as in their own private premises; they will be given operating expenses and the salaries of a clinic nurse and records clerk/receptionist. Thus under Government's present offer, a Grade 1 doctor with a full panel of 3,000 patients will have an average net yearly income of \$104,330 with another \$81,500 for expenses — a total for each doctor of \$185,830. This will be in addition to fees from private patients and for providing services not covered under the scheme, such as medical examinations for visa or insurance purposes, the treatment of fractures and any surgical procedures. National Health doctors will still be entitled to charge patients for these services.

Estimated expenditure per annum for the National Health Service in the forthcoming year will involve, for the 27,000 patients over 65 alone, a sum of \$3.9m, of which \$3m is set aside for the 60 doctors expected to be involved.

In the final phase, the projections reveal a total cost of \$21.4m annually. Fees and allowances for 100 doctors will total \$19.5m.

Mr. Deputy Speaker, there will be savings from the abolition of some of the services now provided by the Queen Elizabeth Hospital and the Ministry of Health, but it cannot be expected that these savings will by themselves cover the cost of giving everyone the same standard of private, personal service as only those who can now afford to pay in full enjoy. I do not now propose to increase the Health Service portion of National Insurance charges, but as the Service comes further on stream, some increase can be expected. In the course of this year, a National Health Service Fund will be established; and in future, all monies collected from the Health Service Levy will be paid into the Fund.

Education

I turn to Education. This is, traditionally, the largest consumer of Government expenditure, and a succession of Governments, not just for 7, 10 or 30 years, but for 100 years, has ensured that we have a comprehensive educational system. If in the last seven years we in this Government have determined that every child is educated up to the age of 16 years; that continued secondary education after that is fully accessible to all; that the school meal service is extended to every primary school; and that all schools are subject to constant physical renewal and expansion, we were doing no more than maximising the priorities of all previous governments. We must now, however, be concerned with quality and direction. And I want to start my proposals on Education at the top.

It is fairly well-known, at least by people of our generation, Mr. Deputy Speaker, that, 30 years ago in Barbados, many students whose ambition it was to win a Barbados Scholarship were forced to pursue the study of the Classics in order to achieve this much prized goal. And so, even would-be doctors and engineers had to wade through Greek

and Latin before coming to grips with the sciences at University level. In response to this, the higher levels of secondary education in Barbados became far more scientific, both in content and method, as efforts were made both to persuade students to study the sciences and to see that they were rewarded by increased access to university scholarships. I think that the wheel has now turned too far.

The arguments for scientific education have always been powerful, and they are not new. There is a fond belief that the push for scientific education over the Classics is a 20th century phenomenon. Not so. A recently published study which I have read, by Professor Cyril Mango on the Byzantine Empire, records that in the second half of the fourth century, that is in the late 300's A.D., a professor at Antioch, named Libanius, who taught the Classics of the time, objected bitterly, indeed violently, when he saw his students turning to the study of the sciences of the time – namely, Stenography, Accounting and Law. And I quote from Dr. Mango: "When he saw the throng of students making their way to the Law School of Beirut he reacted in the same way as a modern professor of Classics whose students deserted him for business administration". When I see that students who now win the Barbados Scholarship are almost as exclusively drawn from scientific disciplines as they once were from Classics, I must confess some sympathy for Libanius.

Not that I wish to dissuade any student from pursuing a scientific education, but I think that the wheel has now gone full circle, to the detriment of the written and spoken word. A greater balance is now necessary and with this in mind I wish to propose that, starting in 1985, the Government will offer special prizes to be awarded on the basis of the Barbados Scholarship results in English, History and Languages – ancient or modern. A cash prize of \$10 000 will be awarded to any student who wins a Barbados Scholarship with A's in English and either History or a Language.

My remaining proposals on education relate to the private secondary schools. The role of these schools is now much diminished in the general educational system, as the Government has greatly expanded the number of places available in Government institutions. Nonetheless they still have an important part to play. I particularly look forward to their being able to attract non-Barbadian students and restore our island to the place it enjoyed, as recently as 40 years ago, as an educational mecca in the Caribbean.

The Government's position on offshore business schools and pre-clinical medical colleges is well-known, and exemplified by its encouragement of widening the base of educational services which we can offer locally. But for the local private secondary schools, and their students, some improvement in Government assistance is necessary. I therefore propose that the rate of Government bursaries will be increased from \$100 to \$125 per term and that the Government will in future pay the salary of one teacher for every 40 pupils at a school up to 240 pupils and for one in 80 pupils beyond 240. This will replace the present scheme of paying for one teacher for 50 pupils up to 300 and one for 100 beyond that. Ten additional teachers will be brought under Government's subsidy, and the cost of these two proposals will be \$409 500.

Unemployment Benefits and Social Security

I turn now to unemployment benefits and social security.

The Unemployment Benefit Scheme, which I introduced in 1981, was conceived as an insurance scheme where available funds would go for the benefit of those who lose jobs, rather than for those who by reason of youth or other means of support have never had one. It was never intended to provide payment for persons merely for not working. Barbados cannot afford that, nor do the social views of our population demand it. We are still a country where we are strongly motivated towards work. But the coverage of the Scheme has still proved too narrow. The figures reveal that, for the latter half of 1982 and the whole of 1983, only 5 733 claims were received, with some two and one half million dollars in claims being paid out. When you consider that the official number of unemployed persons varies between 14 000 – 17 000 and the number of persons filing claims has never exceeded 500 in any given month, then the Scheme is not fulfilling the purpose for which it was intended.

Statistics indicate two main reasons for a total or partial loss of benefit. Failure to renew registration weekly with the National Employment Bureau and late claims, that is those made more than two weeks after unemployment commenced, accounted for 42% and 56% respectively in a recent study of 722 cases where there was some loss of benefit. I therefore propose to extend the time limit within which a claim should be made for unemployment benefit from two weeks to six weeks and to permit claimants on benefit to report to the National Employment Bureau every two weeks rather than weekly. In addition, I wish to propose an increase in the rate of weekly benefits from 40% to 50% of average insurable weekly earnings. These measures will have effect as of April 30, 1984.

Funeral Benefit

The next aspect of social security benefits with which I will deal, Mr. Deputy Speaker, are funeral grants. These were last fixed in 1981 at \$350. I propose that in respect of deaths occurring from today onwards, the amount of the grant will be increased to \$450.

Pensions

In 1970, Mr. Deputy Speaker, there were 14 500 persons over the age of 65 in Barbados. By 1980, there were 17 400 persons, not just over the age of 65, but of over 70. Today's total for the over 65s is approximately 28 000, and arising out of these inescapable demographic facts are a whole host of new considerations in respect of social security and the pension system. As recently as 1970, there were approximately 120 000 persons of potential working age to support by their help and their taxes a pensionable population of no more than 10 000 – 12 000 people, which was means tested and for whom the then minimal old age pension started at 68 for a woman and 70 for a man. Now, 27 000 pensioners, in three categories, are being much more substantially supported by the taxes of, at most, 150 000 adults. And in the last seven years, a number of programmes have been put in place to provide direct assistance to persons

over 65 — free bus transportation; free drug service, and assistance with the payment of water and electric rates, among others. And as from the 1st of this month, the non-contributory pension was raised from \$33 to \$40 weekly; and the minimum contributory pension, payable under National Insurance, from \$40 to \$50. The non-contributory pension is now equal to 80% of the minimum contributory pension, and it is intended that future increases in the amount of these pensions will maintain that relationship, as it is intended that this will be the last year in which an increase of non-contributory pensions will include an element of regrading.

The cost to the National Insurance Fund of the increases in non-contributory pensions is estimated at \$7m. Increases in contributory pensions are expected to cost \$1.4m. I am happy to say that I do not propose that there should be any increase this year in the percentage level of contributions to the National Insurance Scheme to finance these particular costs.

I do, however, propose a substantial change with respect to National Insurance coverage generally. Maximum earnings insurable under the National Insurance Scheme now stand at \$2 200 a month. I propose that figure should be raised to \$2 600 a month as from June 4th, 1984. This amount will cover the earnings of 96% of the working population, and will mean that unemployment and sickness benefits and pensions should now be adequate to cover the incomes of almost the whole insured population. It will now only be in respect of the remaining 4% of the working population that additional pension arrangements need be made.

In the private sector, recognition is widely being given to this circumstance in the formulation of private sector pension plans. By and large, such pension schemes already take full account of any amount provided for under the National Insurance Scheme. I regard such a policy as highly desirable and, undoubtedly, it is an example which the public sector will in the fullness of time have to follow. I therefore intend to invite representatives of all Unions representing public workers to join a Task Force which I propose to set up to look into this matter, and make appropriate recommendations that can meet the dual purpose of justice to public officers and to the public Treasury. Bearing in mind that countries have virtually collapsed under the weight of their own social security payments, I am sure that as loyal and sensible Barbadians, the Unions will co-operate in formulating adequate safeguards.

Finally, I must return to the demographic point which I made earlier. By the end of this century, and even more so in the early years of the 2,000's, the combination of the fall in the number of births from the 1960's onwards, and the ageing of those born in the years of high birth rate up to 1960, will mean even more that the demands of an older population will have to be met by a smaller work force. The conditions of 30 years ago where it was thought necessary to reduce retirement age in order to release jobs for younger persons are already reversed, and will be totally reversed by the year 2000. For this reason, I have never acceded to the extremely unwise suggestion that the age for receiving a National Insurance pension be reduced to 60. Such a step could break the Fund by the 1990s, and it would have catastrophic effects on other aspects of economic management of our country. Instead, the opposite has now clearly become necessary for

those who enjoy a potential retirement age of 60 years. The Government has therefore decided that, as from June 1, 1984, the compulsory retirement age for new entrants into the Public Service will be raised from 60 to 65 years, and the general age of voluntary retirement from 55 to 60. For serving established officers, there will be no change in the existing voluntary retiring age of 55, but for officers under the age of 50 on June 1, 1984, other than Permanent Secretaries or most Heads of Department, the compulsory age of retirement will be raised from 60 to 65. Amendments to the appropriate pensions legislation will shortly be introduced into Parliament, and as far as the exigencies of the service and of the general employment situation in society permits, casual and other workers not included in the Civil Establishment will gradually be permitted to retire at 65.

Far reaching though this measure is, it is essentially long-term. As a matter of straight arithmetic it will be June 1, 1994 before any established officer will be working after his 60th birthday. The most common reason given for objecting to later retirement is its effect on employment. The outgoing President of the National Union of Public Workers made this point to me almost two years ago when the Union was consulted about the matter. I think that it is not a good point. People do not necessarily stop working when they leave the Public Service at 60. They often try to find another job. Since neither Public Service nor National Insurance pensions in Barbados are means tested, there is no disincentive to a pensioner working. And all of us know that pensioners do work. The argument that retiring creates a job is therefore not necessarily true. Retiring from the Public Service frees a job in the Public Service. It may also cause one to be taken away in the private sector. I do not therefore accept that unemployment in Barbados can be dealt with by early retirement. And I may say that I am fully supported in this view by a recent study carried out by the International Labour Organisation, which comes firmly to the conclusion that it is counter-productive to seek to create new jobs by permitting early retirement. At the ages between 60 and 65 most people can still contribute powerfully to working life, and I wish to give public servants the same opportunities to do so as other people.

The other point which is sometimes made on extending retirement ages is that promotion is thereby blocked. This has some substance, especially in a service where employment cannot be expected to expand at the same rate as in the 1950s when Barbados was beginning to move into an era of modern government. It is for this reason that persons already at the top of their departments will be excluded from extended service to age 65.

In conclusion on this aspect of Government's social security policy, I would say that the Government holds itself ready to discuss all or any of the matters which I have mentioned with all interested bodies. We are satisfied that dialogue can at least lead to information, and often to conclusions. To those who have in recent weeks helped us to come to conclusions, I give my thanks.

Savings

Before I turn to proposals for changes in direct and indirect taxation, Mr. Deputy Speaker, I wish to say a word or two about savings. I refer to financial savings by individuals and companies which, in economic terms, provide the resources for investment. Although the amount of money which Barbadians have deposited in savings accounts looks formidable — \$432m by private depositors alone at the end of January, with another \$93m in time deposits — our savings rate is not as high as can be found in some countries whose citizens are very highly motivated towards savings for development. Our equity investment rate is also very low. Government savings, on the face of it, have not recovered to the position of 15–20 years ago, where perhaps 30–40% of capital expenditure, sometimes more, could be financed out of the current account surplus. Now, it seems that all we can hope to finance out of a current account surplus is a wage increase for civil servants! But, of course, the majority of Government's savings is really done by the National Insurance Fund which, as I have said earlier, lends its surplus to Government, and the private sector alike, for investment projects, including housing as well as Government capital projects. This year, the surplus of the National Insurance Fund will undoubtedly be depleted. Additional costs for pensions of \$8.4m, funeral benefits of \$360 000 and estimated unemployment benefits of \$500 000 will be offset by only \$1.8m deriving from contributions to meet the increase in coverage in addition to the ordinary growth arising out of higher incomes in Barbados. It is therefore necessary for the Government to look again at its incentives for savings as against consumption.

Since 1976, and particularly since 1979, Government has introduced a wide variety of measures to encourage the growth of financial savings. These include increased allowance for Life Insurance premiums and for contributions to Registered Retirement Plans, as well as exemption for share purchases of new issues up to \$2 000 per year and the institution of a Bonus Share Scheme. Government has also issued National Savings Certificates and exempted income earned from investments in Barbados Development Bank Bonds and National Housing Bonds up to \$25 000.

It is widely recognized that personal taxation should, as far as possible, fall on the portion of income which is spent rather than on what is saved. Because of the difficulty of administering expenditure taxes, and the need for equity in the tax system, no Government, as far as I am aware, has found it possible to move completely away from taxing income to taxing consumption. However, Government recognizes the vital importance of encouraging savings, both from the point of view of the individual and in the national interest, and is very anxious to introduce additional incentives to make savings more attractive to the public. To this end, it is prepared to implement a scheme which would provide for tax relief on genuine additions to personal savings of up to at least \$5 000 per year. For such a scheme to achieve the objective of mobilising additional savings, and not merely provide tax relief without stimulating real savings, it would have to be carefully thought out. Accordingly, the Ministry of Finance and Planning will shortly be setting up a committee, comprised of representatives of relevant professional organisations, to make recommendations on the ways and means of implementing this proposal and of seeking views on what additional measures can be devised to raise the level of private savings.

In the meantime, however, I propose to increase the amount of exemption of new share purchases in public companies from \$2 000 to \$10 000 per year; to increase the exemption of income earned from investment in approved National Development Housing or Savings Bonds from \$25 000 to \$50 000, and to raise the interest exempted from taxation on Barbados National Bank saving deposits from \$500 to \$1 000 annually. Additionally, I propose legislation to exempt from taxation cash obtained by an individual from funds repatriated from overseas pension schemes, where such cash is invested in an approved bond for a period of at least 5 years. Normally, such refunds are treated as deferred income and therefore subject to tax, as a group of former employees in a major company operating in Barbados have recently discovered.

Savings with Credit Unions

Mr. Deputy Speaker, Credit Unions play a very important role in the mobilisation of savings for on-lending to its members, to assist them with mortgages and other areas of expenditures in which the commercial banks are not particularly interested. That is why, in 1982, I decided to allow savings with a credit union, after an initial period of two years, for income tax purposes.

It is my understanding that since that concession, both the membership of the credit union movement and the quantity of savings have increased significantly. Therefore, following representations from the Barbados National Association of Co-operative Societies, effective from income year 1984, I have decided to increase the allowance from \$600 annually to \$1 200.

However, I have also decided against removing the existing requirements which must be fulfilled in order to qualify for allowances, since the allowance is intended for persons who are genuinely interested in the development of the credit union movement and not, for those persons who are merely interested in avoiding income tax payments. Basically, the concession to Credit Unions is an income tax concession on a capital payment in the form of an asset which remains in the taxpayers' hands. I cannot permit taxpayers, generally, to put money into a Credit Union, save the tax, and draw it out again in too short a period. It will do neither the Revenue nor the Credit Union any good.

BUDGETARY PROPOSALS

Mr. Deputy Speaker, we have so far gone through the preliminary bouts, and I come now to what honourable Members will no doubt regard as the main attraction: the taxation proposals proper. I have already explained that this is not a year in which I can offer net revenue concessions. But, as at an amusement park, there will be ups and there will be downs.

Direct Taxation

Income Tax is in the news, Mr. Deputy Speaker, and I want at once to say that my view of public financing is that income tax is a necessary evil, not what they call, in the jargon, "a useful tool." You may recall that, in 1976, persons earning around

\$1 300 a year could be called on to pay income tax. You will further recall, Sir, that the tax credit system was introduced as soon as possible in order to bring some relief to those persons.

At that time, Personal Income Tax accounted for 28.4% of total revenue, or 8.4% of G.D.P. Today, Mr. Deputy Speaker, Personal Income Tax contributes 22.2% of total revenue, and its share of the G.D.P. has been reduced to 5.6%.

This reduction did not come about by accident, but because of the fact that, every year between 1977 and 1983, downward adjustments were made to the income tax structure. For example, in 1980, 30 000 low income earners were eliminated from the tax roll. The process was carried a stage further in 1981 when a further 18 000 persons were removed from the scope of personal income tax. The result of the various measures introduced between 1977-83 is that today no one earning less than \$115.00 per week pays income tax.

I have thought it necessary to look back at those developments because some persons among us seem to have been unaware of them. However, Mr. Deputy Speaker, the task of restructuring the income tax system, which this Administration started in 1976, is not yet completed, because of the magnitude of the problem which we inherited following the serious inflation of the early 1970s. Therefore, it is necessary for me to move one stage rather than two, three or four stages further this year. First, I will start with the basic allowances which were last fixed in 1981.

There is general acceptance that under a progressive tax system, unless allowances and taxable income bands are adjusted or other off-setting action is taken, the interaction of even relatively mild inflation, such as we have experienced within recent years, will result in a distorted redistribution of the tax burden. This is what happened, in a more acute form, in the early 1970s.

Therefore, Mr. Deputy Speaker, this year's income tax reductions will take the form of an increase in the allowances. I propose, with effect from income year 1984, the following changes:

- (1) The basic allowance for a single person will be raised from \$2 400 to \$3 000; and
- (2) The allowance for a married person will go from \$4 500 to \$5 000.

In the case of persons over 65 years, whether married or single, the allowance will be increased to \$5 500 but will be reduced by one dollar back to \$5 000 for every one dollar that their incomes exceed \$12 000 annually.

Dependent Allowances

I also propose changes in dependent allowances. Effective from this year, the child allowances will be adjusted as follows:—

- (i) The allowance for a child over 16 and under 25 being educated in Barbados will be increased from \$700 to \$800.
- (ii) The allowance for children over 18 being educated abroad will be increased from \$1 200 to \$1 400.

The allowance for a dependent relative at present, is reduced by one dollar for every dollar of income earned in excess of \$250 annually. As a result, a number of persons, who have dependent relatives whose only source of income is the non-contributory old age pension, are disqualified from claiming for their contributions to such relatives, because the weekly pensions have been increased over the years and by far exceed \$250.

However, it is recognised that, in spite of the significant increases in pensions within recent years, it is necessary, in many cases, for pensioners' incomes to be supplemented by relatives. Therefore, Mr. Deputy Speaker, I have decided to raise the threshold from \$250 to \$2 100, which is the present annual income of a pensioner receiving a non-contributory pension. At the same time, I propose to abolish what is known as the "Other Dependent" allowance, which the Commissioner of Inland Revenue informs me is hardly used. I consider that this can be better provided for by an annual payment. This will take effect not from this income year, but income year 1985, to allow taxpayers a time for preparation.

I turn next to annual payments themselves. At present, there is no limitation on annual payments made to relatives by way of settlements, but recent developments have suggested that there is need for some form of restriction. Very large claims have been made to the Commissioner of Inland Revenue by individuals seeking tax deductions on amounts paid by way of covenant. For charitable objects, limitations exist; and I propose, therefore, to introduce limitations for non-charitable objects also. From income year 1985 there will accordingly be a limit of 15% of assessable income for an annual payment under covenant. Also under this head, Mr. Deputy Speaker, I propose to recognise inflation for Parliamentarians' subscriptions, and propose that the allowance will be \$5 000 instead of \$4 500 or 10% of salary, whichever is the lesser.

Further, I propose that the allowance for Life Assurance premiums paid will be increased, under the same conditions as exist at present, from \$1 500 to \$1 800 as from the current income year.

I propose to change both the levels and the category of tax credits. For this income year, the tax credit will be increased from \$360 to \$400 in the lower category, whose limit will be raised to \$7 500. The higher category will go to \$8 500 per annum, and the credit for this group will go to \$250. The effect of these changes will be that

no one earning less than \$145 per week will pay income tax. Approximately 8 000 people will benefit.

Housing

I propose to deal next with Housing, Mr. Deputy Speaker, and since I shall be proposing income tax concessions in this area, I will include my comments under this head of direct taxation. The Government has made housing one of its principal priorities, and has continued to place major emphasis on the improvement of the country's housing stock. Despite efforts to keep mortgage rates low, the market has once again proved the futility of attempting to get a gallon of water out of a pint pot in a small economy such as ours, or, indeed, in any economy, and the Central Bank, with my approval, has permitted an increase in the mortgage interest rate for new residential mortgages to 11% in an effort to encourage trust companies and other financial institutions to divert more money into residential mortgages. These institutions should, however, bear in mind that the Government expects to see new funds flow, and still holds in reserve the possibility of specific direction of funds to mortgages and away, for example, from consumer credit.

In addition to that, Mr. Deputy Speaker, I have recently directed the National Insurance Board to make the sum of \$3.0m available to the Barbados Mortgage Finance Company; and in a few days' time, the Ministry of Finance and Planning will pay \$1.0m to B.M.F.C. as a further Government contribution towards share capital. This will both improve its cash flow, and its equity base to permit it to raise further funds for on-lending.

This evening, Mr. Deputy Speaker, I intend to introduce four measures which will have an immediate benefit to house owners. First, in view of the increasing cost of constructing or buying a reasonably sized dwelling house, I have decided to increase the Mortgage Interest Allowance against income tax from \$7 200 annually to \$9 000.

Secondly and thirdly, Mr. Deputy Speaker, I propose further concessions for the owners of residences of architectural or historic significance. This subject has also been highly visible in recent weeks, and I have now had some representations from the owners of listed properties. About half of these seem to assume that listing will reduce the value of their houses. I can only assume that the alarmism of some uninformed Press comment — I certainly cannot blame the Opposition — is responsible, for while I am considering a number of cases where owners of business premises are genuinely worried about the effect of listing on their existing plans, there can be few, if any, listed residences affected by listing as such, since the Town Planning Office does not easily give permission for changes to be made to historic structures, whether listed or not. This has been the policy for many years, but I wish to emphasise that listing is not a barrier to using a historic building for business purposes. In fact, the Town Planner often welcomes it, since it usually means that more money will be available to maintain and preserve the building's traditional qualities.

From the persons who own, and are happy to own, historic dwelling-houses, and from the National Trust I have received a number of representations. From persons who own houses considered historic or of architectural merit, but which are not listed, I have received pleas, as Minister of Planning, for listing, and the Town Planner will shortly be publishing supplementary lists. As Minister of Finance, I now propose, that the income tax allowance for repairs to a historic dwelling house will be raised from 10% of its assessed value to 25%. The cost of repairs is very considerable on these old houses, and the work itself will have the economic value of giving employment in the construction trade. This is my second proposal.

My third proposal relates to the position of owners of listed properties, including wooden buildings, who cannot afford to preserve them adequately. I propose the setting up of a fund, of \$1m in the first instance, to make loans at concessional rates of interest up to a maximum of \$10 000 for repair purposes to those owners of listed properties who are unable to raise funds from their own resources. A Committee will be established to assess requests for, to grant the loans and to fix repayment schedules in accordance with the means of borrowers.

Finally on housing concessions, Mr. Deputy Speaker, the Government has recognised that there is a greater demand for rental accommodation for residential purposes than is presently available. There are, apparently, a number of house owners who are interested in converting at least a part of their residences into units for rental, but who are unwilling, or unable, to make the appropriate changes because of the capital cost involved. As an incentive to these persons, I now propose that a scheme be instituted, similar to that which was announced in 1982, to encourage the construction of industrial buildings. An initial allowance on the expenditure incurred in converting any building into rental units will be granted for income tax purposes, with the remainder to be written off over an extended period.

My general proposals which touch on income tax Mr. Deputy Speaker, will cost the revenue a net sum of \$10.6m.

Corporation Tax

I turn next Mr. Deputy Speaker, to another aspect of direct taxation. In 1982, a temporary surcharge of 3% was imposed on corporate profits. Since then, there has been some improvement in the Government's financial position and a worsening of the position of local corporations. In view of the important role which corporations play as generators of economic activity and providers of employment, I have decided to remove the 3% surcharge, effective from this income year. In compensation for this, I had considered the reimposition of the Employment Levy, but I have decided to let the forces of economic recovery themselves have an opportunity to demonstrate a favourable employment showing in the private corporations. This change, Mr. Deputy Speaker, will mean a loss of \$4.0m to the Government, but should help to ease any financial difficulties which the corporations may be experiencing.

Stamp Duty

Mr. Deputy Speaker, in my Budgetary Proposals for the fiscal year 1982-1983, I introduced a package of increased stamp duties which were subsequently enacted under the Stamp Duty (Amendment) Act 1982. This amendment increased the rate of stamp duty on an insurance policy from fifty cents to two dollars for every \$500 or part thereof of the sum assured. The life insurance companies have informed me that this increase in the rate of stamp duty, which must be met in full by the company at the time a policy is issued, exposes the company to the risk of incurring a substantial loss if the policy is discontinued by the insured before acquisition costs, including stamp duty, have been recovered. The companies have also submitted that since stamp duty is calculated on the sum assured, and not on premiums payable, the burden becomes particularly onerous in respect of those policies where the annual premium is low in relation to the sum assured.

The matter has been carefully studied by the Supervisor of Insurance, and I am satisfied that if corrective measures are not taken, these companies may either increase their premium rates or ask policy holders to pay the stamp duty. Both of these solutions are undesirable.

I therefore propose that as of tomorrow, April 18, all life insurance policies issued shall be subject to stamp duty at a fixed rate of \$20 for each life insured. This will replace the present rule.

It has been estimated that at current rates, stamp duty on life insurance policies would have yielded one and a quarter million dollars which, together with Premium Tax and Corporation Tax, would total \$2.15m in revenue from the industry in 1984. It is not proposed to make any substantial change in the total revenue to be collected from life insurance companies. However, in order to recover the shortfall, which will result from the reduction in the stamp duty, and to eliminate tax avoidance by some of these companies, I propose a new tax formula from income year 1984 to which the life insurance companies will be subject.

Premium Tax

Companies controlled by Residents of Barbados and approved Caricom Companies	3%
Foreign Companies	5%
Tax on Gross Investment Income	5%

It is estimated that this new formula, together with the new rate of stamp duty, will yield revenue of \$2.2m.

My next proposal relates to insurance companies not controlled by residents of Barbados which fail to hold the reserves required to be held locally under the Insurance Act, and there are such companies. I propose that, in addition to the 5% tax on actual investment

income, they will now pay 5% on the imputed income on any shortfall up to the statutory reserve level. The income will be calculated as 7% of the shortfall, or at the actual average percentage yield of their investments in Barbados.

I further propose that, with effect from income year 1984, losses on life insurance business incurred in previous years may not be brought forward and offset against tax payable in subsequent years; and that where a company carries on both long term and general insurance business the amount which will be allowed as deductible, in respect of commissions and management expenses combined for tax purposes under the general insurance portfolio, shall not exceed 60 per cent of the gross premium income for the year being reported. This will cover many areas, not only of tax avoidance, but of what I have sometimes considered, Mr. Deputy Speaker, to be tax abuse.

Since there has been no meaningful increase in the total taxes being levied against the industry, and since all companies will now be paying their fair share, I do not expect to see any increase in insurance rates.

Further, under Stamp Duty, I consider that economic as well as budgetary circumstances point to a small increase again this year in the general rate. The continued strength of the US dollar has carried the Barbados dollar with it and has made imports cheaper. The policy of shifting the burden of taxes on income to taxes on spending requires some counterweight to the income tax concessions just announced. I accordingly propose that the rate of Stamp Duty on customs warrants on imported goods will be increased from 3% to 5% on the C.I.F. value of the goods. This increase will take effect from tomorrow, April 18, and will result in an increase in revenue of approximately \$19m in a full year.

Following representations from the Ministry of Trade, I propose to introduce a scheme in respect of the payment of Stamp Duty as a stimulus to exporters. The details of the scheme will be announced later, but it is intended to refund the full amount of the stamp duty paid on any inputs which go into the manufacture of any product for export. This will also apply as from tomorrow April 18. The rebate will be based on the proportion of a firm's output which goes to the export market. It is hoped to enlist the support of the Export Promotion Corporation, the Industrial Development Corporation and the Barbados Manufacturers Association in the formulation and implementation of a workable and efficient scheme.

Taxes on Property

From Direct Taxation, I turn now to Property taxation. The Commissioner of Land Tax is currently working on the triennial review of Land Valuations in the country and these new valuations will come into effect from March 20, 1984, for a period of three years. I do not propose any change in the rates.

In my last Budget, I propose that foreign companies, as defined in the Land Tax Act, be required to pay higher rates of Land Tax than locally registered Barbadian companies. As a result of numerous representations made to me, relating not only to the

equity of the situation, but also to Double Taxation Treaties to which Barbados is a party, I propose to make a concession to banks and certain public companies which are actively engaged in business in Barbados, and to exempt them from the higher rates of tax. These entities will qualify for such exemption only if their Barbados assets are less than 10% of their world-wide assets. A public company incorporated or registered abroad shall not be eligible for such exemption if the majority of its interests is beneficially owned by Barbadians.

Property Transfer Tax

For a long time now, Mr. Deputy Speaker, there have been complaints from the real estate agents in this country that business was being crippled by the punitive rates of transfer tax on properties being bought by foreigners. These rates were necessary when the real estate business was under inflationary pressure at home, but are perhaps less relevant now. I therefore propose the following changes in respect of the rates of property transfer tax as they apply to local vendors and foreign purchasers.

The current rate of tax will be increased from 3% to 5% in the case of the local vendor, and the current rate of tax on the foreign purchaser will be reduced from 17% to 10%. These changes take effect immediately, although I will entertain applications for relief in the case of local vendors selling to local purchasers, where contracts have already been signed and stamped. The changes will result in additional revenue of \$1.8m.

Highway Revenue

Fees for registration of motor cars and motor cycles were last changed in 1982. There have been many changes since then, and the Government is now in the process of a major road rebuilding programme, which will benefit all highway users.

Therefore, Mr. Deputy Speaker, I propose a series of general increases in the annual registration fees for motor vehicles. Fees for motor cars will be increased as follows:—

	<i>Present</i>	<i>Proposed</i>
Cars not exceeding 1 150 kg	\$150	\$200
Cars not exceeding 1 350 kg	\$200	\$250
Cars not exceeding 1 550 kg	\$400	\$450
Cars exceeding 1 550 kg	\$750	\$800
Motor cycles without side cars	\$ 50	\$100
Motor cycles with side cars	\$ 75	\$150

In a full year additional revenue of \$1.6m is expected from these measures.

Next, I turn to vans, lorries, tractors and trailers. Within recent times, we have witnessed the introduction of heavy duty vehicles with only two axles, which have been causing serious damage to our roads. There are some such lorries which, I am assured, if they drove on even the made-up roads in some of our tenantries, would break the water mains beneath the surface.

Consequently, Mr. Deputy Speaker, I find it necessary to introduce a special regime for such vehicles, and to ask that they make a greater contribution to the upkeep of the roads on which they have such effect. Following technical advice from the Ministry of Transport and Works, I have altered the whole system of classification; and with immediate effect, fees for vans, lorries, tractors and trailers will be charged as follows:—

Vehicles with 2 axles	Vehicles with 3 or more axles (I have been very gentle with these, they usually have ten wheels, because these are the ones we have been encouraging.)	Vehicles used or adapted for use for drawing trailers on the highway as an articulated unit.
Not exceeding 3 tonnes \$250	—	—
" " 5 " 350	—	—
" " 7 " 500	—	—
" " 12 " 800	—	—
(In general those changes are not substantial, but above 12 tonnes, which are the really off-fending vehicles, substantial changes have had to be introduced.)		
" " 20 " 2 500	—	—
" " 24 " 5 000	1 600	—
" " 36 " —	2 500	3 000

Exceeding 36 tonnes, and there are vehicles driving on the roads that weigh 50 tonnes, all vehicles will be charged \$85.00 per tonne.

Trailers including tank and container trailers

- (1) Up to seven metres \$200
- (2) Exceeding seven metres \$400

Changes will shortly be introduced to the Road Traffic Act to make vehicles of more than 12 tonnes which have only one rear axle, subject to special licensing before they can be used.

Public Service Vehicles

There is no doubt that the minibuses and other public service vehicles have been making a significant contribution to our public transport system. However, since last I have adverted to this area in a Budget, two factors of significance have emerged. The first is that the permission given to allow vehicles which can carry from 5–10 passengers to be licensed as taxis has been abused, insofar as many such vehicles, known as the z-vans, ply as unlicensed minibuses but pay only taxi registration fees. The second factor, of great importance to the Minister of Finance, is that the fares have gone up 25% but the license fees have not! At the same time, I have taken the opportunity to revise the present licensing system in the light of the fact that there is now only one authority for issuing all licenses for using the highway, instead of the former shared responsibility of the Rates and Taxes Department and the Ministry of Transport and Works. I have therefore decided to consoli-

date the initial charges at their present level, and to abolish the annual renewal fee for a permit to operate a Public Service Vehicle.

Therefore, with immediate effect, the fees in respect of permits to operate such vehicles and the annual taxes, which will, of course continue, will be as follows:—

<i>Vehicle</i>	<i>Permit Fee</i>	<i>Annual Tax</i>
1. <i>Minibuses</i>		
(i) Driven by Owner	\$ 15 000	\$ 5 000
(ii) Driven by person	15 000	6 000

(These permit fees are the same as at present. At present, they pay \$7 500 to MTW and \$7 500 to the Rates and Taxes. Honourable Members who are exclaiming do not know the facts.)

(iii) Operated by a Church as a registered charity	2 500	800
(iv) Operated by a School approved by the Ministry of Education	2 500	800
(v) Operated by an Organiza- tion registered as a charity	2 500	800
(vi) Operated by a hotel or company to transport staff	15 000	6 000

2. *Tour Coaches*

(i) Operated by a Co-op Taxi Association or individual	15 000	6 000
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(There are no changes in the permit fees in the last two categories I just mentioned.)

3. *Taxis*

(i) Up to 5 passengers driven by owner	2 500	500
(ii) Up to 5 passengers driven by persons	2 500	800

(I intend to move towards consolidation of the annual tax for these two classes as in the permit fees, but I think it would be very hard on owner-driven taxis to make them pay the whole amount in one year, so they will only pay \$500 this year.

(iii) More than 5 passen- gers (Maxi-taxis)	15 000	3 000
(iv) Self driven cars	2 500	1 200

Fees for transfer of a permit, which are now one-half of the MTW permit fee, will be reduced to one-third of the combined fee. I have already indicated the problems with the maxi-taxis (those which carry more than 5 passengers) and the new rates are intended to deal with the unfair competition for the minibuses which have to pay higher fees.

However, I do recognize that those maxi-taxis which operate from fixed points, such as the Airport, Port, hotels or particular stands, and which do not pick up passengers along the route, play a different role and therefore deserve different treatment.

Consequently, in such cases the permit fee for maxi-taxis operating from fixed points will be \$2 500 instead of \$15 000, and the annual tax will be \$1 200 instead of \$6 000. Regulations for obtaining the concessional rates will be published in due course by the Ministry of Transport & Works.

Driving Licenses and Related Fees

The fees for driving licenses and related fees were last changed in 1982, Mr. Deputy Speaker, and since then a new Licensing Authority has been established. I propose the following increases in the fees payable to the new Authority.

(i)	Driving licence for 3 years	\$75.00
(ii)	Driving licence for 1 year	30.00
(iii)	Issue of duplicate licence	10.00
(iv)	Learner's permit	20.00
(v)	Renewal of learner's permit	15.00
(vi)	Visitor's driving permit	30.00
(vii)	Conductor's badge	10.00
(viii)	Driver's badge	10.00
(ix)	Conductor's licence	20.00
(x)	International driving licence	50.00

The net total additional revenue from the foregoing changes under the Road Traffic Act, including motor cars, is estimated at \$3.6m.

MINING

A number of mining operations are being carried on around the island, Mr. Deputy Speaker, and in order to ensure that our natural resources are not depleted with undue haste, appropriate legislation is being prepared to regulate these operations.

However, in the meantime, it is my view that some charges should be imposed not only as contribution to the general revenue, but mainly as a reminder that the few minerals which Barbados has should not be wasted.

Therefore, I propose the following charges:—

- (i) to operate a sand quarry an annual licence fee of \$10 000 will be payable; all such quarries must register immediately with the Ministry of Finance and Planning and pay the fee to the Accountant General.
- (ii) As from April 18, tomorrow, for every cubic metre of sand which is sold from a quarry, the operator will collect on behalf of the Government a tax of \$2.50 from the customer; the amounts collected shall be paid to the Accountant General not later than the 15th of the following month.
- (iii) to operate a stone quarry an annual licence fee of \$5 000 must be paid; the same conditions must be followed as with a sand pit or quarry.
- (iv) As from July 1, for every tonne of clay which is delivered to trucks which travel on the highway, a tax of \$1.00 must be collected by the operators on behalf of the Government, and paid to the Accountant General not later than the 15th of the month following collection.

Revenue arising from these proposals is estimated at \$150 000 annually.

TAXES ON BETTING AND GAMING

I propose to make changes in respect of taxes on Betting and Gaming. Approved national organisations are allowed to carry on a variety of gambling activities to assist the purposes for which they are established, and gambling whose proceeds go towards charities or the development of community projects, has long been a feature of our national life. Taxation on these activities has been raised in recent years, and the promoters of these games have indicated that the new rates have resulted in a fall off in the funds they are able to raise. I have therefore decided to reduce some of the rates and to introduce greater uniformity.

At present, there are varying rates of around 20 per cent each charged on Bingo tickets. I propose to change these to a uniform rate of 5 cents in every 50 cents or part thereof.

The tax on tickets for the Barbados Cricket Association Instant Money Game will be reduced from 20 per cent to 10 per cent on each ticket.

The reductions in these taxes, which will take effect from the 7th May, will cost the revenue \$250 000 in a full year. For the year 1984–85 the revenue loss will be \$166 000.

At the same time, I propose to raise the taxes on Barbados Turf Club Tickets — Let's go to the Races — from 2½ per cent to 10 per cent. Considerable sums of money are now being earned by the promoters of this game — \$600 000 in tickets are sold every week — and the tax should contribute to Government's revenue in a significant way. The

new rate of tax on these tickets will take effect from 7th May, 1984, and in a full year revenue will be \$2.34m.

Tickets for the game "Wheels of Fortune", being conducted by the Barbados Bridge League, will be subject to a tax of 10 per cent on each ticket with effect from 7th May, 1984.

Net revenue in 1984/5 from all these sources is estimated at \$1.8m.

ENTERTAINMENT TAX

Mr. Deputy Speaker, a new Entertainment Tax Act is being prepared, and a number of the charges will be increased, since most of them have been in existence for several years, those relating to licensed places of public entertainment since before the First World War!

However, there is one change which I must make immediately. It has come to my notice that it is possible for amusement parks to avoid paying the entertainment tax by not charging a formal entrance fee. Therefore, from tomorrow, April 18, amusement parks will be subject to a tax of 20% of the fee for admission, or \$5 000 per day, whichever is greater.

I further propose to extend the entertainment tax to the rental of video taped films on cassettes for reproduction through television sets. From May 1, 1984, the operators of video clubs and rental businesses shall collect 20% on their membership fees, and on rental fees for films, and pay the proceeds to the Commissioner of Inland Revenue no later than the 15th of the following month. Cinema proprietors have to do it and I see no reason why the video clubs proprietors should not do it also.

Revenue from these sources is estimated to be \$300 000.

Airport Charges

As I said in my Financial Statement and Budgetary Proposals last year, Airport charges should be constantly reviewed so as to ensure that the operating costs of maintenance and the provision of various services at the Airport, which are estimated at being in excess of \$12m annually, are recovered, and that the airport pays for itself over a number of years. In this regard, I propose to increase the Departure Tax from \$12 per person to \$16 per person with effect from June 1, 1984.

It is expected that the additional revenue under this head will be \$1.2m in a full year. One million will be received in this financial year.

OTHER INDIRECT TAXES

Consumption Taxes

I do not propose major changes in the general rates of consumption tax, Mr. Deputy Speaker. For the great majority of all items, the rate will remain at 5%. But, in

a number of cases, there are special factors which point to changes. In keeping with Government policy in respect of smoking, I propose to raise the consumption tax on cigarettes from 30 cents for five cigarettes to 35 cents for 5 cigarettes, that is 1 cent per cigarette. At the same time, I propose that matches, which are charged by a cash amount that has not been raised for many years, shall pay increased taxes. Matches in containers of 60 or less will go from one cent per box to two cents per box. In containers of more than 60 matches they will go from \$1 per 6 000 matches to \$2 per 6 000.

I propose modest changes in the taxation on alcoholic liquors. The consumption taxes on gin, whisky, brandy, vodka and other spirits, excluding rum, will be increased from \$8 per litre to \$10 per litre.

With the brick factory and the cement plant coming on stream, I propose to increase consumption taxes on a range of non-indigenous building materials and products made therefrom. The tax on building and tiling materials of stone other than coral limestone, such as slate, will be increased from 5% to 10%. Prepared articles of wood will go from 5% to 10%. That does not, of course, include local furniture. I look forward to seeing a shift to local tiling, roofing and especially wall and paling materials, and to seeing more wooden ornaments made locally. The structure of consumption taxes on wood used for building purposes will also be examined in order to give an advantage to treated woods and to higher quality hardwoods available from CARICOM sources. I also propose to increase the tax on plastic flower pots from 10% to 20%. Chalky Mount needs protection, and Greenland needs encouragement.

And now, a concession on consumption tax. There are many items in an open society such as ours where 10% of the population travel abroad every year, that are simply not bought in Barbados if tax rates are too high. Luxury rates of consumption tax on these items are therefore self-defeating and probably save the Island little or no foreign exchange. I therefore propose to lower the rates of tax on items of jewellery from 15% to 10%.

Details of all the changes which come into force at once can be found in Appendix A to the Budget, and in a full year the net effect will be \$2.7m in additional revenue.

Water Rates

I turn now to water rates, Mr. Deputy Speaker. The financial position of the Water Authority is much better than previously, and I am satisfied that with continued good management of its resources, it can meet all of its obligations in the near future without any increases in the water rates. Therefore, Mr. Deputy Speaker, I have decided that, contrary to my announcement two years ago, the water rates will not be increased from 1st April this year.

Recently, there has been much discussion in the Press and other news media about the burden of water rates on the hotel industry. All of the facts are not available;

but following representations to the Government by the Hotel Association, it has been decided to initiate a study with a view to relieving the industry of some of the burden, if the results of the study show that there is a case for such relief.

At present, Mr. Deputy Speaker, the Government pays water rates of approximately \$300 000 annually for a number of old age pensioners. In some instances, the Government pays the entire bill, while in others it pays part of the bill, depending on whether the individual has other income besides the non-contributory old age pension. Despite this assistance, we receive many complaints about the burden of the water rates on the aged. In its determination to assist the old age pensioners in every possible way, the Government has decided to review the present system to determine what improvement, if any, can be instituted. However, Mr. Deputy Speaker, I must point out that any improvements which are introduced will be for genuine cases of hardship and not to enable able-bodied persons, who are working, and who share residences with the elderly, to avoid paying for the utilities which they use. With this qualification, the Government will pursue further relief in the matter of water rates for the aged.

This brings me, Mr. Deputy Speaker, to the end of the Budgetary Proposals. My proposals for increased revenue amount to \$30.5m and I have given concessions which, exclusive of the cost of the stamp duty rebate, which cannot yet be calculated, will result in a loss of revenue of \$15.5m, made up as follows:

Concessions

Personal Income Tax	\$10.6
Corporation Tax	\$ 4.0
Education Grants	\$ 0.55

New Taxation

Stamp Duty	\$19.0
Road Taxes	\$ 3.0
Consumption taxes	\$ 3.0

New Taxation

Betting & Entertainment	\$2.2
Property Transfer Tax	\$2.0
Airport Charges	\$1.0
Mining & Quarrying	\$0.15
Insurance	\$0.065

Mr. Deputy Speaker, this is the eighth Budget I have had the honour to present to the House. It is not usual in budgetary presentations to touch a personal note, but on this occasion I feel constrained to depart from the norm, and say that never before have I felt so great a sense of pressure leading up to my Financial Proposals as this year. For the last three years, certain defensive skills have been required of Barbados' Minister of Finance. We have had to face quite appalling international financial disaster, compounded by local conditions which have devastated our sugar industry, and severe regional difficulties caused by Jamaican currency adjustments and the imposition of an import licensing regime for CARICOM products in Trinidad. We have therefore had to hold under severe strain for three years, and we have had what, I daresay, is the benefit of unrelenting

criticism, just or unjust, from an Opposition bent on convincing the public that the Government of Barbados has caused the depressive conditions in our Island that every other critic recognises as being part of a world-wide phenomenon. With the support of all sectors of our community, we have held that strain and kept our heads above water. With the continued strength of international economic recovery, we are now poised to start swimming again. But Mr. Deputy Speaker, we still have to take the greatest care not to get out of our depth, and this is where the pressure comes.

I have been much heartened by all the pleas and advice I have received in recent weeks. Not by any means always because of their realism or wisdom of the advice, but because I sense that the general public, even including the many persons of opposition persuasion, whose comments have received the exclusive attention of our daily Press, instinctively recognises this Government's capacity for economic management and its ability, once again, to lift Barbados up to new heights of achievement. I take the pressures to mean "We know you can do it. Now is the time to start". Well, I have started. I have given relief in the area of personal taxation, and I have given encouragement to the corporate sector by removing the tax surcharge, extending incentives for investment in equity and instituting a stamp duty rebate scheme for exports.

I would mention, Mr. Deputy Speaker, that I was somewhat disappointed at the irresponsible suggestion of the Chamber of Commerce that the 3% Stamp Duty be removed altogether. Nobody believes that merchants in Barbados would, in general, pass on such a saving to the public. Such a measure would go largely to increase the profits of business, which are being encouraged by other measures. The Stamp Duty brings in enough to pay the salaries of 3 000 Government workers. Would the Chamber of Commerce wish me to reopen the chapter of layoffs, and send home 3 000 people? And this call is not the Chamber's only unrealistic or selfish proposal.

Calls by Opposition spokesmen and other figures for impossible levels of tax relief are part of a political game, and can be ignored. They are made, not because they are feasible, but to give the Opposition an opportunity of criticising the Government of what in their hearts they know, will be for not doing what cannot in wisdom or prudence be done. But a higher standard of comment should reasonably be expected from the business and private sector associations represented in our community.

I state to the House and to the general public that, in our judgment, a redistribution of the burden of taxation is the proper approach to the economic situation as we find it at the start of our new financial year. With the cost of living under control, unemployment is our problem. It is a problem that can be solved only by investment, led by Government capital investment. Government investment requires taxation. I have maintained taxation, and, with it, the Government will reduce unemployment. We will improve our road system, build our harbours, reconstruct our schools, introduce our health service. When, in due course, the economic historians look at this Budget, I want them only to say that it combined vision with humanity — the Government's vision that held Barbados to its course without chasing after popular, but unwise, measures in the short term; and the Government's humanity that put the cause of social security for our people at the centre of considerations, and recognised that the care of the old, the sick and the unemployed are the things that, in the last analysis, really matter; and that politics and economics are a means to an end, and not an end in themselves.

SUMMARY OF BUDGETARY PROPOSALS – 1984

1. Announcement of Public Sector wages settlement from 1st April as follows:—
 - (a) 15% increase on 1982/83 salaries
 - (b) 5% increase on 1984/85 salaries
 - (c) 10% increase in pensions

The salaries increase for 1984/85 will cost \$37.9m while that for 1985/86 will cost \$14.5m. The increase in pensions will cost \$3.2m in each year.

2. A cash prize of BDS \$10 000 will be awarded to any student who wins a Barbados Scholarship with 'A's' in English and either History or a language.
 3. Bursaries to private secondary schools will be increased from \$100 to \$125 per term.
 4. In future the Government will pay the salary of one teacher for every 40 pupils at an approved private secondary school up to 240 pupils and one in 80 pupils beyond 240. As a result, 10 additional teachers will be brought under the Government's subsidy and the cost of the proposals affecting private schools will be \$409 500.
 5. The time limit within which a claim for Unemployment Benefit should be made will be extended from 2 weeks to 6 weeks effective 30th April, 1984. Also, weekly benefits will be increased from 40% to 50% of average insurable weekly earnings.
 6. Effective 17th April, 1984, the funeral benefit from the National Insurance Office will be increased from \$350 to \$450.
 7. Effective June 4, 1984, the maximum earnings insurable under the National Insurance Scheme will be increased from \$2200 per month to \$2600.
 8. The compulsory age of retirement will be increased from 60 to 65 for Public Officers under 50 years on 1st June, 1984 except in the cases of Permanent Secretaries and most Heads of Departments.
 9. The income tax allowance for new shares in public companies has been increased from \$2 000 to \$10 000 annually.
 10. The exemption of income earned from investment in approved National Development Housing or Savings Bonds has been increased to \$50 000.
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11. The level of interest exempt from taxation on BNB savings deposits has been increased from \$500 to \$1000 annually.
 12. Legislation will be introduced to exempt from taxation cash obtained by an individual from funds repatriated from overseas pension schemes where such cash is invested in an approved bond for at least 5 years.
 13. Income Tax Allowance for savings with Credit Unions has been increased from \$600 to \$1200 annually.
 14. The basic Income Tax Allowances have been increased as follows:—
 - (a) Single person up from \$2400 to \$3000
 - (b) Married person up from \$4500 to \$5000
 - (c) Persons over 65 years, whether married or single will be allowed \$5500 but this will be reduced back to \$5000 by 1 dollar for every dollar earned in excess of \$12 000 annually.
 15. Dependent Allowances have been changed as follows:—
 - (a) Allowance for a child over 16 years and under 25 years, being educated in Barbados will be increased from \$700 to \$800.
 - (b) Allowance for children over 18 years, being educated abroad has been increased from \$1200 to \$1400.
 - (c) The allowance for a dependent relative will be reduced by 1 dollar for every dollar earned in excess of \$2100 instead of the present level of \$250.
 - (d) Other Dependent Allowance to be abolished effective income year 1985.
 16. Effective income year, 1985, annual payments under covenant will be limited to 15% assessable income.
 17. Effective income year 1985, the income tax allowance for subscriptions by Parliamentarians will be \$5000 instead of \$4 500 or 10% of salary, whichever is the lesser.
 18. With effect from income year 1984, the allowance for Life Assurance premiums will be increased from \$1 500 to \$1 800.
 19. The level and category of tax credits have been changed as follows:—
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- (i) Credit for the lower category increased from \$360 to \$400 and the limit will be raised to \$7 500.
 - (ii) The higher category will go up to \$8 500 per annum and the credit for this group will go up to \$250.
 - (iii) The above changes will mean that no one earning less than \$145 per week will pay income tax. Approximately 8000 persons will benefit.
- 20. Effective income year 1984, the mortgage interest allowance will be increased from \$7 200 to \$9 000 annually.
 - 21. Income tax allowance for repairs to historic dwelling houses has been raised from 10% to 25% from this income year.
 - 22. A fund of \$1.0m in the first instance is being established to make loans at concessional rates of interest up to a maximum of \$10 000 for repairs to listed properties.
 - 23. In cases where premises are converted into residential rental units, an initial allowance on the expenditure will be granted for income tax purposes and the remainder will be written off over a period of years. These Income Tax Concessions will result in revenue loss of \$10.6m.
 - 24. The 3% surcharge on corporate profits has been removed. Revenue loss will be \$4.0m.
 - 25. Foreign companies will qualify for exemption from the higher rate of Land Tax only if the Barbados assets are less than 10% of their world-wide assets. A public company incorporated or registered abroad shall not be eligible for such exemption if the majority of its interest is beneficially owned by Barbadians.
 - 26. Property Transfer Tax payable by a local vendor has been increased from 17th April, 1984 from 3% to 5%. The rate of tax payable by the foreign purchaser has been reduced from 17% to 10%. Additional revenue of \$1.8m is expected.
 - 27. The annual tax payable by all vehicles, including Public Service Vehicles has been increased from 17th April, 1984. Also fees for driving licenses and related services have been increased. Additional revenue of \$3.6m is expected.
 - 28. Effective April 18, 1984, all life insurance policies issued shall be subject to Stamp Duty at a fixed rate of \$20 for each life insured.
 - 29. Effective income year 1984 life insurance companies will be subject to tax under a new formula as follows:—

	<i>Premium Tax</i>	<i>Rate</i>
	(i) Companies controlled by residents of Barbados and approved Caricom companies	3%
	(ii) Foreign Companies	5%
	(iii) Tax on Gross Investment Income	5%
30.	Where the local investments of any company which is not controlled by residents of Barbados are less than the statutory reserves required under the Insurance Act, that company is subject to an additional tax of 5%.	
31.	Effective April 18, 1984, Stamp Duty on imported goods will be increased from 3% to 5%. Additional revenue of \$19m is expected.	
32.	A scheme for rebating Stamp Duty on imports which go into the manufacture of goods for exports will be introduced after the necessary consultation has been held with all interested parties.	
33.	Effective income year 1984 losses on life insurance business incurred in previous years will not be allowed against tax payable in subsequent years.	

With effect from April 17, 1984 an annual licence fee of \$10 000 is payable to the Accountant General in order to operate a sand quarry. Such quarries must be registered with the Ministry of Finance and Planning.

Effective April 18, 1984 for every cubic metre of sand which is sold from a quarry, the operator will collect on behalf of the Government a tax of \$2.50 not later than 15th of the following month.

The annual licence fee to operate a stone quarry has been fixed at \$5 000.

With effect from July 1, 1984 a tax of \$1.00 per tonne is payable on clay which is delivered to trucks which travel on the road. These charges are expected to yield revenue of \$150 000.

The taxes on Betting and Gaming have been changed as follows:—

- (i) Effective August 1, 1984 the tax on all Bingo tickets will be 5 cents in every 50 cents or part thereof.
- (ii) Effective 7th May, 1984 the tax on BCA Instant Money Game Tickets will be reduced from 20% to 10% on each ticket. The revenue loss in a full year will be \$166 000 as a result of these two changes.

- (iii) With effect from 7th May, 1984 the tax on BTC – Let's go to the Races tickets will be increased from 2½% to 10%. Additional revenue in a full year will be \$2.34m.
- (iv) Effective 7th May, 1984 "Wheels of Fortune" being conducted by the Barbados Bridge League will be taxed at 10% on each ticket. Net additional revenue of \$1.8m is expected from the above sources in 1984/85.

Effective 18th April, 1984 Entertainment Tax on amusement parks will be 20% of the admission fee or \$5 000 per day, whichever is greater.

With effect from 1st May, 1984 operators of video clubs and rental businesses shall collect 20% on their membership and rental fees. Additional revenue of \$300 000 is expected from the changes in Entertainment Tax coverage.

- 34. Effective 18th April, 1984 the Consumption Tax on jewellery will be reduced from 15% to 10%.
- 35. Effective 18th April, 1984 Consumption Tax on cigarettes, matches, gin, whisky, brandy, vodka and few other items will be increased. Additional revenue of \$3.0m is anticipated.
- 36. With effect from 1st June, 1984 the Departure Tax will be increased from \$12.00 to \$16.00. Additional revenue of \$1.0m is expected this financial year.
- 37. Water rates for 1984/85 will remain at the same level as last year.

Tariff Heading Number	Description of Goods	Rate of Tax
Ex. 22.09	Spirits (other than those of Heading No. 22.08); Liqueurs and other spiritous beverages; Compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages: Whisky: In bottle of a strength not exceeding 80% proof spirit Brandy: In bottle of a strength not exceeding 80% proof spirit Gin: In bottle of a strength not exceeding 80% proof spirit	\$10.00 per litre \$10.00 per litre \$10.00 per litre
22.09.5	Vodka	\$10.00 per litre
24.02.2	Cigarettes	35 cents per 5 cigarettes
36.06.1	Matches in containers of 60 matches or less	\$2.00 per hundred containers
36.06.2	Matches in containers of more than 60 matches	\$2.00 per 6 000 matches
Ex. 39.07.3	Plastic Flower Pots	20%
44.24	Household Utensils of Wood	10%
44.25	Wooden tools, tool bodies, tool handles, broom and brush bodies and handles; boot and shoe lasts and trees, of wood	10%

APPENDIX A – *Cont'd*

Tariff Heading Number	Description of Goods	Rate of Tax
44.27	Standard lamps, table lamps and other lighting fittings, of wood, articles of furniture, of wood, not falling within Chapter 94; caskets, cigarette boxes, trays, fruit bowls, ornaments and other fancy articles, of wood, cases for cutlery, for drawing instruments or for violins, and similar receptacles, of wood; articles of wood for personal use or adornment, of a kind normally carried in the pocket, in the handbag or on the person; parts of the fore-going articles, of wood for personal use or adornment, of a kind normally carried in the pocket, in the handbag or on the person: parts of the fore-going articles, of wood	10%
44.28	Other articles of wood	10%
68.03	Worked slate and articles of slate, including articles of agglomerated slate	15%
68.16	Articles of stone of other mineral substances (including articles of peat) not elsewhere specified or included	15%
69.07	Unglazed setts, flags and paving, hearth and wall tiles	15%
71.01	Pearls, unworked or worked, but not mounted, set or strung (except ungraded pearls temporarily strung for convenience of transport)	10%
Ex. 71.02	Precious and semi-precious stones, unworked, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport): Other than industrial diamonds	10%

APPENDIX A - *Cont'd*

Tariff Heading Number	Description of Goods	Rate of Tax
71.03	Synthetic or reconstructed precious or semi-precious stones, unworked, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport)	10%
71.05	Silver, including silver gilt and platinum-plated silver, unwrought or semi-manufactured	10%
Ex. 71.07	Gold, including platinum-plated gold, unwrought or semi-manufactured:	
	Other than gold bullion imported by central banks and monetary authorities	10%
71.08	Rolled gold on base metal or silver, unworked or semi-manufactured	10%
71.09	Platinum and other metal of the platinum group, unwrought or semi-manufactured	10%
71.10	Rolled platinum or other platinum group metals, on base metal or precious metal, unworked or semi-manufactured	10%
71.11	Goldsmith's, silversmiths' and jewellers' sweepings, residues, lemls, and other waste and scrap, of precious metal	10%
71.12	Articles of jewellery and parts thereof, of precious metal or rolled precious metal	10%
71.13	Articles of goldsmith's or silversmiths' wares and parts thereof, of precious metal or rolled metal, other than goods falling within heading No. 71.12	10%
71.14	Other articles of precious metal or rolled precious metal	10%

APPENDIX A – Concl'd

Tariff Heading Number	Description of Goods	Rate of Tax
71.15	Articles consisting of, or incorporating pearls, precious or semi-precious stones (natural, synthetic or reconstructed)	10%
71.16	Imitation jewellery	10%

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

WHEREAS the international economic recession has continued to place pressure on the economy of Barbados;

AND WHEREAS the Government has successfully steered the Barbados economy through that pressure during the past year;

AND WHEREAS the Government has embarked on a course of development aimed at improving the quality of life of the people and at stabilising the economy of Barbados;

BE IT RESOLVED that this House takes note of the Financial Statement and Budgetary Proposals presented to the country by the Minister of Finance on 17th April, 1984, and endorses the said 1984 Budgetary Proposals.

Hon. H. B. St. JOHN: Mr. Deputy Speaker, I beg to second the Resolution and reserve my right to speak.
6.50 p.m.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Deputy Speaker, that brings us to the end of this evening's proceedings. I beg to move that this sitting be now suspended until April 18, 1984 at 4.00 p.m. when we will be expecting the reply from the chief spokesman on the Opposition bench.

Hon. DeL. O. BRADSHAW: I beg to second that.

The question that the sitting be now suspended until Wednesday, April 18, 1984 at 4.00 p.m. was put and resolved in the affirmative without division, and Mr. DEPUTY SPEAKER suspended the sitting accordingly.
6.53 p.m.

ON RESUMPTION

Mr. DEPUTY SPEAKER: This sitting is now resumed.

Hon. L. S. CRAIG: Mr. Deputy Speaker, there is a notice which is to be given by the Minister of Finance, and I would like with the approval of the House to reopen "Notices" for this purpose.

Mr. DEPUTY SPEAKER: I do not believe there is need for any leave to reopen "Notices" if it is one of the notices which follow the Budgetary Proposals, as it is customary that these notices are given. The honourable Prime Minister therefore is free to give these notices.

Rt. Hon. J. M. G. M. ADAMS: Mr. Deputy Speaker, when I read the Budgetary Proposals yesterday, I misread the proposal relating to the tax on the Barbados Bridge League Wheel of Fortune at 8 per cent. That is an error. It should be 10 per cent, and I accordingly beg to lay the Betting and Gaming Duties No. 2 Order, 1984, which embodies the budgetary proposals relating to betting and gaming.

Hon. L. S. CRAIG: Mr. Deputy Speaker, earlier in the sitting I gave notice that the Replies to Questions asked by the Right Honourable Leader of the Opposition were ready, and I now would like to deal with those two questions at this point in time.

Mr. DEPUTY SPEAKER: If there are no objections, it will now be Question Time.

QUESTION TIME

Mr. DEPUTY SPEAKER: Parliamentary Question No. 2 stands in the name of the honourable Member for St. John.

QUESTION RE HEYWOODS HOLIDAY VILLAGE PROJECT

Rt. Hon. E. W. BARROW: Mr. Deputy Speaker, Parliamentary Question No. 2 reads as follows:

To ask the Minister of Finance and Planning: Will the Minister state the total cost of:

1. The Heywoods Development Project;
2. The Battaleys By Pass Road, and
3. The completion of the Heywoods By Pass Road?

Hon. H. B. St. JOHN: Mr. Deputy Speaker, I beg to lay the reply to Parliamentary Question No. 2 as requested. This was asked by the honourable Member for St. John, Leader of the Opposition, relating to Heywoods Holiday Village Project.

Mr. DEPUTY SPEAKER: Parliamentary Question No. 4 also stands in the name of the honourable Member for St. John.

QUESTION RE RUNWAY AT GRANTLEY ADAMS INTERNATIONAL AIRPORT

Rt. Hon. E. W. BARROW: Mr. Deputy Speaker, Parliamentary Question No. 4 reads as follows:

To ask the Minister of Trade, Tourism and Industry:

1. Is the Minister aware that the runway at Grantley Adams International Airport is in a serious state of disrepair and constitutes a serious danger to jet aircraft?
2. If the answer is in the affirmative, will the Minister state how soon Government intends to take remedial action?

Hon. H. B. St. JOHN: Mr. Deputy Speaker, the reply to Parliamentary Question No. 4 asked by the honourable Member for St. John is as follows:—

I am not aware that the runway is in a serious state of disrepair and constitutes a danger to jet aircraft. There is some unevenness in the surface of the runway and remedial action is being taken.

Mr. DEPUTY SPEAKER: Are there any supplementaries to this question?

Rt. Hon. E. W. BARROW: Yes, Mr. Deputy Speaker, the second part of the question, which I take

to be semi-affirmative, was that "If the answer is in the affirmative, will the Minister state how soon the Government intends to take remedial action?"

Hon. H. B. St. JOHN: Mr. Deputy Speaker, the reply to that is as soon as we are able to comply with the Financial Rules of this country. Action has already been ordered, and if the honourable Member will notice, consulting engineers have been invited to provide the specifications for the repair of the unevenness of the airport, and that has already been advertised, in accordance with the Financial Rules.

Mr. DEPUTY SPEAKER: If there are no other supplementaries, that brings us to the end of Question Time.

The House will now resume debate on the Budgetary Proposals and the motion which followed.

REPLY TO BUDGETARY PROPOSALS

Dr. R. C. HAYNES (St. Michael South Central): Mr. Deputy Speaker, it is quite clear to all Barbadians, irrespective of their walk in life, that there has been serious deterioration in the social and economic affairs of this country. Many of us were looking forward yesterday to proposals in the Budget which would address themselves to the problems facing the country. Many people are bitterly disappointed. I was not surprised, because I have been telling my colleagues all along not to expect anything of significance in the Budget because the economy is, so to speak, on auto pilot status. Never in my lifetime, and many older people tell me certainly not in the past forty years, has there been so much disillusionment and so much discontent in Barbados as exist today. Indeed, I believe it is my duty to make this a people's reply, to take this opportunity to bring to attention the relevance of the Budget when it is judged against the anxieties and the concerns of the people of Barbados.

What are their main concerns, Sir? They are concerned that we have a political directorate in which they have lost confidence. They are deeply hurt by the kind of propaganda which conflicts painfully with their daily experiences. They are concerned by the lack of moral dimension in the management of the public affairs of this country, and they are deeply alarmed by statements coming from the Barbados Labour Party about widespread corruption in that party, particularly as it relates to the Transport Board, the Immigration Department, housing and the Sanitation Board, among other areas of the Government. They are very worried that the sugar industry in this country is now in a *de facto* state of bankruptcy. They are worried that the tourist industry is in serious difficulty, with threat of bankruptcies and the massive job losses occurring in that sector. They are concerned about the manufacturing sector, about the fate of those people who make investments in that area,

and in particular about the massive job losses which have occurred there. They are deeply worried about the future of CARICOM and the state of relations of the Barbados Government with some of our CARICOM territories, in particular with the State of Trinidad and Tobago. 4.15 p.m.

The people are concerned about rising prices, as they rise day after day, whether it be in the area of medicine or transport. I would say that I see probably 10 000 people a year. The only person I have heard say that prices in Barbados are falling is the right honourable Member for St. Thomas. I have not heard anyone in this country, either on this side, on that side, or anywhere else, say that prices in Barbados have been falling. It is possible that he could be right and all other Barbadians and all the visitors to this country might be wrong. All I can say is that it is the experience of every person whom I have seen in Barbados, from every walk of life, that prices have been rising considerably in Barbados, and, indeed, it might even constitute one of the most important destabilizing factors in this community.

The people are worried about the fall in the purchasing power of the small wages which they receive. They are worried about the starvation that faces the thousands of unemployed and, in particular, the children of the unemployed. They are worried that this community is now experiencing levels of unemployment which are higher than in 1976, despite the massive borrowings that have taken place. They are worried about the depletion of their personal savings. They are worried about their pensions, which cannot meet their day-to-day needs. They are worried about taxation on pensions. They are worried about the cost of public utilities, particularly electricity, gas and water.

For the first time in Barbados, I can detect deep concern among the business community in Barbados, because they have been deeply upset by the rising costs of their operations, the very high levels of taxation, the falling profits, the erosion of their capital, and the absence of credit and falling sales, consequential upon the reduction of the purchasing power within the community.

When I talk of the private sector, I am talking about those in Broad Street, those in Swan Street, those in High Street, those in the manufacturing sector and those in the tourism sector. I am talking also about the shopkeepers and the vendors at the side of the street. I am talking about all those people who, through care and through their own private initiatives, have sought to make a living for themselves and provide a living for others, and find themselves today in a serious situation of frustration.

The people are concerned about the public transport system of Barbados. Make no mistake about that.

They are concerned about the cost of private transport, largely due to taxes, higher insurance premiums, and also other costs, such as repairs and parts and so on.

Even the journalists in this country are deeply upset, because they are called upon to publish statements to give the public the impression that things are better than they are, when they themselves are feeling the pinch and they themselves function among people, and when they know perfectly well what is going on in Barbados.

They are deeply concerned about political victimization at all levels. Indeed, there are many people in Barbados today, particularly employees of statutory boards, who are fearful that when they go for their cheques on a Friday or at the end of the month that it might be the last cheque that they will be receiving. They are worried about the attempt to undermine the trade union movement, through low levels of wages and salaries. They are worried about the high levels of Income Tax, the high level of consumption taxes and other indirect taxes.

For the first time, people are worried about the security of the ownership of their properties, in the face of the spate of acquisitions and delinquency on the part of the Government in paying them for their properties, or in giving adequate compensation. They are worried about the levels of property taxes, about the cost of repairs and maintenance and the cost of insurance for their homes. They are worried about inadequate housing. They are worried about the political bias on which welfare housing is allocated. They are disturbed about the way in which certain delinquent tenants were treated recently by having their personal possessions exposed on the television screens of this country.

They are worried about the unavailability of mortgage money. They are worried about high rents. They are worried about the situation where they have been effectively denied access to the banking system of Barbados, even if they have an asset which would give adequate security for the loans that they may seek from the banks. They are also worried about the high interest rates regime that has been prevailing in this country for some time.

They are worried about the health services in Barbados and the quality of generic drugs that they are forced to take. They are worried about the state of affairs at the Queen Elizabeth Hospital and at the mental hospital. They are worried about the cost of drugs outside the public services.

They are worried about the education of their children and the attitudes of Government to the teaching profession. They are deeply concerned about the extent

of legalised gambling in Barbados today, pornography involving school children and the trade in illicit drugs and the cost to this country of that kind of activity. They are worried about the pattern of crime which has devolved in Barbados, which threatens the security in their homes and on the streets.

They are deeply concerned about the paralysis of the Public Service of Barbados, as a consequence of victimization and a feeling of lack of security and, indeed, of poor representation being made for them, by their employers when they are under attack. They are worried about the erosion of public confidence in every single public institution in Barbados, with the exception of the judiciary. People are worried about the alarming public indebtedness of this country. People ask from time to time, "How will we ever pay it back? Will we ever pay it back? What will happen to our children and to our grandchildren?"

These are the kinds of concerns and anxieties that confront the people of Barbados. It is my duty to bring this to your attention in order that the Government might seek at some point to redress these serious wrongs that have been inflicted on this nation.

When we examine the Budgetary Proposals against the background of the problems, concerns and anxieties which I have outlined, what do we find, Sir? We find a proposal for a 10 per cent increase in pensions. How many Government pensioners would receive about \$300 to \$600 a month?

4.25 p.m.

You are talking about increases of about \$30 to \$60 per month. That will not even meet the cost of public utilities, nor will it meet the cost of the increases in the prices of food and medicines, which will be a direct consequence of that \$19 million tax yesterday in the form of Stamp Duties.

We also find a most — how do you describe it? — feeble attempt to address the problems of education. I see nothing wrong in offering a \$10 000 prize to someone who shows an interest and does well in the Humanities. But certainly it is not a proposal that will deal with the serious problems in education.

We also have had an increase of \$25 per term for students attending and getting bursaries at private secondary schools. And the Government has been very magnanimous in its assistance and in dealing with the problems of education by employing ten additional teachers! That is the way in which they feel they can solve the problems of Education in Barbados!

We have had a Funeral Grant that has been increased by \$100. I must say that that is the only indication in this Budget that would give one the impression

that the honourable Member for St. Thomas is aware of what he has done to the people of Barbados.

Then, what I find most amazing is this. This has been the pattern since the Budget in 1977 — \$10.6 million in Income Tax allowances, \$19 million in stamp duties, \$3 million in consumption taxes. I can assure you that that \$10.6 million will be totally wiped out by those taxes that have to be paid, and the increase of prices consequential on those increases in stamp duties. There is one particular category of persons whose insurable earnings would be increased by something like \$364 per year, so whatever tax deduction he might have got, he has to pay \$364 more under the National Insurance Scheme — and then he has to pay all the indirect taxes!

We have had an increase of mortgage interest that can be deducted. Our position is perfectly clear. We are not interested in that proposal because we have always felt that, given the context of housing and the need to stimulate housing in Barbados, the total interest payments should be deductible, as it was in the past under the Democratic Labour Party. That has always been our position, and the reason for that is, it does not represent a total loss of revenue to the Treasury of Barbados, because after all, the banks make some kind of profit, and indeed some money goes back through that system to the Government.

We have had the removal of a 3 per cent temporary surcharge on corporate profits. It was just a temporary surcharge. But I can assure you that the \$4 million will make very little difference to the private sector in Barbados when you look very carefully at the tax structure which has eaten away at the profits and viability of the private sector in this country.

We have had some tax concessions on repairs carried out on historic buildings. Again, we have no interest in that proposal, because we have always felt that all persons who spend money in repairing their homes should have it totally deductible, not 4 per cent this year, or 4 per cent next year. We feel that, as in the past, they should be able to get the full deduction, because when they spend that money, they have to pay consumption taxes and stamp duties. They have to pay workers who repair their homes and who have to pay taxes, so probably about 40 per cent to 50 per cent of the money would go straight back to the Government. It is no big thing to make that kind of concession, and it is this sort of approach to housing, in my judgment, that will help to maintain the housing stock in Barbados.

The next tax was a tax which seems to indicate a reversal of the position of Government. They have reduced the Property Transfer Tax payable by non-Barbadians from 17 per cent to 10 per cent, whilst they have increased the Property Transfer Tax payable by local

vendors from 3 per cent to 5 per cent. That, Sir, is a capital gains tax of 5 per cent — make no mistake about that — if you can sell anything in Barbados today and make a profit on it.

But it has serious implications. It is undermining their stated programme as making housing a high priority in their development programme. It means that the cost of housing will be increased, because when a developer builds and sells a house, he has to include that cost of 5 per cent in what the person would buy it for. That would be a positive disincentive in terms of housing. Naturally, it would lead to increased rents and, on the whole, would tend to dampen activity in the housing sector.

I go back to that \$10.6 million in Income Tax deduction. Those same people are being called upon to pay increased taxes on their vehicles. The money is gone even before anything happens. As a matter of fact, they will be spending more money and paying more taxes even before they start to get the benefit of the tax deduction.

As far as the changes in relation to Insurance Companies are concerned, that is a matter of correction of errors, errors made by the Minister of Finance, which were brought to his attention, to my certain knowledge, a day or two after the original measure was introduced in Parliament.

I will not deal with taxes relating to sand quarries, clay, and that kind of thing. I will however, deal with stamp duties, because many people in Barbados think that stamp duties relate to postage stamps. What they do not realize is that those stamp duties are taxes on goods that are imported into this country, and when \$19 million in stamp duties are slapped on, then, with the next shipment that comes in, the prices in the super-markets will go up. The prices in the drug stores will go up, and the prices of every single item in Barbados will go up as a result of that. So they have slapped that tax on people who would benefit marginally, if at all, from the \$10.6 million tax deduction, and they have slapped it on those who will not benefit from it, those who do not pay any Income Tax because of their low levels of earnings. I think that is thoroughly inexcusable.

In summary, as far as those proposals are concerned, there has been no tax relief in that Budget. Indeed, there have been substantial increases in taxation over and above the \$15 million which was presented here yesterday as representing the difference between concessions and the amount to be raised.
4.35 p.m.

The Budget will be inflationary in that it will increase prices in Barbados via indirect taxation. And this is a year in which there is going to be a new valuation

of properties, and those same people, many of whom believe that they got a tax deduction to the extent of \$10.6 million, might be interested to hear that they will probably be having to participate in the payment of \$4 million to \$6 million in additional property taxes this year to the Government of Barbados. So you can be quite sure, absolutely sure — I gather it is a 25 per cent increase — that the people of Barbados will be facing an increasing burden of taxation this year, and that there has been no tax relief whatsoever. That is the pattern we have had all along for all the years this Government has been in power, and I am going to expose it today on the floor of the House in greater detail later on.

The fact that the Honourable Minister of Finance is now faced with the problem of increasing the compulsory retirement age from 60 to 65 years is his problem. Three years ago, I brought to his attention the demographic patterns in Barbados, and warned him that he will have to relate social security to that demographic pattern. He dismissed that. Someone else may have told him now, and he has come in here with this proposal. I assume that the public servants will deal with that.

In the area of unemployment benefits, having made the statement in New York that there is so much money accumulated under the Unemployment Benefit Scheme that he is embarrassed, you would have thought that he would have found some means to alleviate the cash problems being faced by the unemployed in Barbados. He has not dealt with the major issue of qualification for benefit; all he has done is to bring in some relaxation of the terms of disqualification in relation to the applications. In overall terms, that has no overall benefit to the unemployed.

He made a passing reference to the International Monetary Fund. Again, we have no interest in this. Our position on this matter is clear. We brought this country to independence in order that we will have the sovereign authority to allocate the resources of the country in the interest of all its citizens. They handed that over to the International Monetary Fund, and that is their problem. The Leader of the Opposition has made it clear what our position is, and we will not be dealing with that organisation.

We warned him that there would be a retardation in economic growth in this country as a result of that programme that we entered into in September 1981, the year of pre-conditions. We warned them that the burden of adjustment would fall on the wage earners in Barbados. We warned them that there would be a severe contraction of output. We have had two years of negative growth — and now a year of zero growth! We warned them it would produce massive unemployment, that it would have an adverse effect on savings and investments, and I can quite assure you that those inducements in the

Budget yesterday will not have much effect, because there are very few savings around the place, and, on top of that, there are not many people who are going to place their money in that kind of situation, where they will not have access to their money for several years in long term deposits, as the banks have discovered in Barbados.

I warned them that it would do serious damage to the institutions in Barbados which are responsible for the administration of this country, and that has taken place. I warned them that that programme would have failed to attract investment capital, except on the basis of official borrowings, and that has happened. I warned them that there would be massive increases in the public debt, and that has happened. I warned them that any temporary decline in the rate of inflation would be purely consequential on the appreciation of the Barbados dollar and the contraction in the economy, and that once they start to expand the economy again with borrowed money, then that inflation spiral would start again.

You have satisfied your creditors, but I can assure you that you have destroyed the lives of many people in Barbados. I told you that it would lead to increased taxation, that it would lead to dangerous levels of transfers from the private sector to the public sector in Barbados. And when we hear the shouts of the private sector in Barbados today they are very real, because that has taken place over the past three to four years.

We warned them about the dangers of wages suppression and of a high interest rate regime in Barbados. We warned them that, ultimately, this would have a shattering effect on all the productive sectors in Barbados, whether manufacturing, tourism, agriculture, or even in the commercial sector. We warned them that they would have to conform to certain price attitudes in critical areas of the economy, such as in areas of energy, and those examples are water rates, the price of gas, and the price of electricity that should have dropped by 25 per cent, if we were free to pursue an independent energy policy in this country, which would have been a tremendous boost to the economy. It never materialised in Barbados.

All the other islands in the eastern Caribbean have had substantial drops in the price of gasoline, diesel, lubricants and that sort of thing, but along with Jamaica, because of the decisions we took in relation to energy, we have not been able to pass on that very valuable tonic to the economy of Barbados.

Mr. Deputy Speaker, I want to deal with certain revenue considerations, because I think that the people of Barbados have been under the impression from time to time that they were getting tax relief, and now, all of a sudden, they realise that they are in a tax net from which they cannot escape.

The tax structure of this country revolves around levies under the National Insurance system, Income Tax, indirect taxes, non-tax impositions, and indeed now, tax impositions in the electricity rates in Barbados. That is also reflected in the water rates, as a consequence of the decision taken by the Public Utilities Board, where it included certain tax elements in that particular rate hearing.

The people of Barbados are going to be shocked at what I am going to tell them now. Under the Democratic Labour Party between 1970 and 1977, the total revenue extracted from all the people in Barbados was just over \$1 billion. Since they came into power, between 1977 and 1984, they would have extracted \$3.4 billion from the people of Barbados, and that is exclusive of the \$128 million a year minimum in transfers under the National Insurance Scheme via levies and National Insurance.

We managed to allow this country to grow in participation with the private sector by confining our expenditure during that seven year period to \$1.191 billion, and to contain the fiscal deficit to \$22 million per year on average. They, on the other hand, although they collected \$3.4 billion, more than three times as much revenue as we collected, spent \$4.3 million, and have run average deficits of over \$112 million, which of course accounts for the fact that the public debt and the public guaranteed debt, including the external debt of the Central Bank, is now about \$1.2 billion, and not the figure quoted by the Minister of Finance.
4.45 p.m.

Mr. Deputy Speaker, this represents a very serious mismanagement of this economy. It is even made worse when one realizes that, at the end of the day, after that massive tax extraction, and massive spending, the unemployment level in Barbados today is higher than it was in 1976 on the one hand; and on the other hand, every single productive sector in Barbados today is in a state of chaos, with at least one in a state of bankruptcy.

This is what the private sector and individuals in this country are all feeling now. It has been a progressive drain from private individuals to the Government, and the Government has thrown it all away and cannot account to the people of Barbados as to what they have done for them. Much of it has gone into an improper mix of capital projects, which, instead of being self-sustaining in terms of earning foreign exchange, some in the short term, some in the medium term and some in the long term, has been such an improper mix that in the meantime you are having challenges to your current revenue in order to maintain the viability of those projects.

Take that levy system. That is a very serious tax. It has now been increased to \$600 a week, non-progressive in nature. If you earn \$5 a week, you

pay it, and if you earn up to \$600 a week or thereabouts, you pay it.

The heavy transfers under the National Insurance Scheme have increase the non-wage cost of labour, and, in my view, is a major cause of unemployment in Barbados. It has interfered very seriously with the cash flow position of business in Barbados, and, certainly, has done a lot to undermine the integrity of the National Insurance Scheme. And, what is worse, Sir, those levies are not controlled by Parliament. They are not paid into the Consolidated Fund. They do not have the full protection of the constitutional arrangements for the monitoring of public finance in Barbados. And they are a potential source of serious corruption, as has happened in a sister territory, which funded large amounts of revenues in Ministries. I believe an article in "The Parliamentarian" not so long ago explained how it happened. We in the Democratic Labour Party will insist that all taxes levied, in whatever form and whatever name, will be paid into the Consolidated Fund in this country.

Many of you will recall — Mr. Deputy Speaker, I am certain that you will recall — that in 1976, the Barbados Labour Party went up and down this country telling people that the Sales Tax was iniquitous, that the consumption taxes were iniquitous, that they were wicked taxes and that they would remove the Sales Tax forthwith on coming into power.

The Sales Tax, the Consumption Tax, the Hotel and Restaurant Sales Tax and the stamp duties in this country amounted to \$19.9 million in 1976 when they were saying that. Can you guess, Sir, what it is today? They abolished the Sales Tax partially, not totally, since they kept the Hotel and Restaurant Sales Tax. I will tell you what the stamp duties, the Sales Tax, and the Hotel and Restaurant Sales Tax come to today — \$164 million! It has moved from \$19 million to \$164 million!

The people would now understand when they talk of tax relief, what they have been doing to this country and why it is that we in the Democratic Labour Party feel that this vicious cycle must be broken, and that it can only be broken if we demand immediate relief in the area of Income Tax, and continue to fight on the floor of this House for a reduction in other forms of taxation.

I do not need to explain any further the regressive nature of that kind of taxation, because, in fact, the people with the smaller incomes, who spend most of their money on consumption, will be the people hardest hit by that form of taxation. That is quite clear. It is a straight transfer of the burden of taxation on those with lower incomes.

Property taxes, since 1975/76, and there have not been a large number of new houses in Barbados, have risen from \$8.6 million to \$32.8 million estimated this

year, which I think is underestimated. I think it is probably another \$2 million, which is \$34 million.

Do you know what is even worse about those taxes, Sir? Under the Democratic Labour Party, those taxes, by and large, were deductible. They were not real taxes, because those taxes really represented a situation which would enhance the cash flow of Government around October/November. But now they are real taxes, so they are not only an increase in the amount of money, but virtually a new imposition on the citizens of this country.

I need not mention that these taxes would obviously be inflationary. I need not mention to you, as I have said before, that the new 5 per cent transfer tax will make it worse. But they were not satisfied to do that to the people of Barbados. I am sure that the people would recall that since 1977 they have been hearing of taxes on drivers' licences, taxes on passports and on all these things under a heading called "Non-Tax Revenue". The total yield in Barbados in 1975/76 was a mere \$18.4 million, but in 1983/84 it is \$57 million. These are charges by Government departments predominantly, including those in agriculture. All small men in agriculture have been seriously hit by those charges. In the health services, which are supposed to be free, the charges have risen from virtually nothing to \$1.7 million a year. There have been a major burden in the area of private transport, professional fees, immigration, passports, and many other areas — I do not need to go through the whole lot. That just shows you what has happened to the tax situation in Barbados.

Income Tax has increased from \$44.3 million to the \$127 million anticipated this year. Now, the people have to judge. They must understand that the Democratic Labour Party has the responsibility to all elements in this community, whether you are rich, whether you are poor, whether you are white, whether you are black, and we recognise that the development of this country depends on our living together, and that the development of this country has evolved very much around private sector activity.

I have the greatest confidence in the private sector in Barbados, and I was very upset yesterday when I heard the attack on the Chamber of Commerce, people who have every right to make a comment on national issues in this country. It is that kind of behaviour which has resulted in the situation between Barbados and Trinidad and Tobago today.

I am accustomed to it in this Honourable House. It makes no difference to me. It is like water over a duck's back as far as I am concerned, but I think that there is no need, from the floor of this House, to refer to a reputable organization and people in that manner. It is damaging the image of the country. It is not good for the

children who see that kind of behaviour, and that is my view. I am afraid I may be old-fashioned, but that is my view, and I am sure the view of the honourable Member for St. Andrew (Hon. L. B. Brathwaite), who has just indicated to me that he fully agrees with me on that matter.

4.55 p.m.

Sir, there may be people at the moment who may be in their kitchen listening to what I am saying. Do they realise that the food that they have in the larder, that the fridge, the stove, the electricity, the gas, the cupboards, the soap and the water are all taxed? If you are in the living room and you are looking at your T.V. and now your video, these items and all your furniture are taxed. If you are in your bedroom and you have drugs in your cabinet, or if somebody is sick and lying in bed, the sheets are taxed, the pillows, the pillow-cases, the bedding, the wardrobe, the clothes in there, the shoes are all taxed. If anyone should get up and go for a walk, the moment they step outside, they are taxed; they have to pay the Transport Levy. If they have a private car, they have to pay the increased taxes. If they go by bus, they have to pay the levy and the increased bus fares. If they are sick and have to go to a doctor in the United States for emergency care, they have to pay the increased tax on tickets and now the Departure Tax. There is nothing you can do in Barbados in your daily life where you are not paying taxes, and the message must go home to people in Barbados that when you are talking about consumption taxes and when you are talking about Stamp Duty, you are talking about taxes paid by every single person, and the meagre relief that you get from tinkering with the tax system, as we saw yesterday and before, is all wiped away by these taxes.

It is in these circumstances that we feel fully justified in making the proposal that all taxable incomes up to \$12 000 should be tax free, and in that way we will bring relief to approximately 35 000 persons in this country, because we know exactly what is going to happen when we do that. We know how we will recover it: by stopping the kind of squandermania that is taking place under this Administration!

We are also considering, and will be considering, and I can tell you now that it will be part of the manifesto position of the Democratic Labour Party at the next elections, that there will be tax relief for every person in this community, irrespective of what he earns. You cannot destroy the initiative of private individuals in Barbados and at the same time hope for economic and social development in Barbados. You cannot go on making these massive transfers from the private sector to the public sector where, in my judgment, there is not the institutional or the management skills to handle the projects that you embark on, and that is one of the fundamental reasons why millions upon millions of dollars

have been thrown away in that sector. That is our position.

I have already made it clear what our stand will be on the levies, and I am telling you further, if you want me to tell you more, that we will probably be looking very carefully at the impact of these levies on the lower income groups to see whether or not some correction is not needed in that particular area. I really do not think that somebody earning \$5 a week should pay the levy.

Consumption taxes have not only hit individuals. As I said, they have hit the entire productive sector of the economy. And on top of that, they have been a major factor in reducing the competitiveness of our exports in Barbados, and a major factor in the escalation of non-wage costs in terms of the final product that they are exporting. But each time they open their mouths, all they can talk about is wages, wages, wages paid to workers, when in fact, if you look at other costs, you will see that they have escalated far more rapidly than wages.

In the area of revenue, I want to pay a little attention very quickly to the question of gambling. We heard yesterday that one outfit, I think it was the Turf Club, generates sales from their tickets of \$600 000 a week or \$31.2 million a year, and that the Minister of Finance is hoping to capture \$2.34 million of this. I believe the Turf Club gross would be about \$24.96 million, but there are a whole lot of people out there, including those who started another gambling operation, Wheels of Fortune, and the \$12 differential between what the Turf Club gets and what the tickets are sold for is a lot of money.

I would direct the attention of the Minister of Finance to investigate whether or not there is not some element of taxation in there, because it seems to me that if you assume the Turf Club pays out about 58 per cent or 59 per cent in taxes, they are probably paying out about \$318 000 in prizes. Of course, there is an immediate foreign exchange loss, because these tickets are imported, and I know who owns the company. Then there is the question of sellers' commissions. There is \$100 000 involved in that. The Government used to get about \$15 000 a week — I think that there may get a little more — but the point I wish to make is that I am wondering whether or not the Government, in order to get the \$2.3 million in this state of the economy, should be encouraging that kind of expenditure.

This business of revenue relating to gambling is very minimal. We heard all this business about the one-armed bandits generating revenue. In 1980 those one-armed bandits were taking \$80 million a year out of this economy — it has dropped to about \$50 million — and the revenue to Government was some \$2.25 million on average, and I am charging here on the floor of this

House, because I know what is involved and I have a good idea of who are involved, that it has been a major source of crime, major foreign exchange losses, that it is providing the capital for trade in illicit drugs and also in pornography, and is a major disruption of family life and cause of political corruption in Barbados.

This Government had promised the people of Barbados that they would set up a commission, and they would exercise control on the pay out. No controls have come to date. What about the controls that you promised the people of Barbados?

I am a strong believer, and the honourable Member for Christ Church West (Hon. H. B. St. John) often tells me that I take too moral a position in public life. I deeply regret I cannot do otherwise. I believe that a Government cannot survive unless there is a moral position taken on public issues.

I should just like to say that we have passed an abortion law in this country. We promised the people of Barbados that we would build facilities in order that the abortion on demand law would be done in better hygienic conditions. The abortions are going on day after day, and not a single facility has been built up to date.

Some time ago, I told this country that the Honourable Minister of Finance and Planning is going to bring casino gambling to Barbados, and I was shocked that the Government Information Service put out a statement in the Barbados *Advocate* that the words "casino gambling" were not mentioned in the legislation. I have here a copy of a Bill entitled an Act to revise and consolidate the law relating to betting and gaming and to provide for related matters, and I am telling you, Sir, that Section 3.....

Mr. DEPUTY SPEAKER: The honourable Member knows full well that the Standing Orders prohibit any Member of this House from anticipating Government Business or any business of the House. I should like the honourable Member to conform to the Rules of this Chamber.

Dr. R. C. HAYNES: Most certainly, Sir. Nevertheless I am still going to say that there are provisions, I am not going to say where for the establishment of casino gambling in Barbados. The word "casino" is not used, but it is the same type of legislation as exists in many gambling centres in the world.
5.05 p.m.

And I am going to say this, too. You are going to destroy this country further by bringing all the international gangsters, along with the St. George's School and you will be handing over the north of this country to a bunch of racketeers.

Our position is that we are opposed to casino gambling, and we welcome the decision by the Jamaican Government that they would not introduce casino gambling without a referendum in that country.

Applause.

Many of us have asked, Mr. Deputy Speaker, if we give tax relief, what are we going to do? The answer is that we will not be incurring the kind of expenditures that they have incurred.

The public of Barbados would be shocked to know that between 1976 and 1985 they spent \$160 million on Defence and Security, \$77 million in capital expenditure and \$38 million in capital expenditure. And there are other hidden expenditures. For example, the purchase of the assets of Aero Services Ltd., largely for the use of the Defence Force.

In the preceding seven years, we spent \$6.2 million on Defence and Security. The American Base was here. They did not trouble anybody. They brought money into the country. The base was a major incentive for housing development in the north, by renting houses up there. But they chased them out. That was their problem.

Indeed, Sir, this year — and this is very interesting — the increasing demands which the Defence Force is making on current revenue will be \$20 million. The \$19 million in Stamp Duty that the poor people have to pay when they go and buy rice, or sugar would not even be enough to pay for the current expenditure of the Defence Force.

Another area of expenditure which I should like to address myself to, is in the area of charges of debt. Between 1969 and 1976, the Democratic Labour Party spent \$94.8 million on charges of debt. The maximum amount that we ever paid in any one year was \$21 million. In the short period that they have been in office, they have borrowed so much that they have spent \$560 million on charges of debt. In this year alone, they are spending \$106 million on charges of debt.

Do you remember their election promises? "No need for a Defence Force." Do you remember when the public debt was just over \$200 million and they went in St. Lucy and told the people that the foreigners would be coming for their properties and their sheep and goats and so on? Well, it is now about \$1.2 billion.

Asides.

Dr. R. C. HAYNES: We can control Government expenditure by a system of zero budgeting and effective control of all Government projects. We would not throw away \$20 million to \$30 million on CARIFESTA. The

West Terrace disaster could not have happened under us. The post office disaster could not have happened under us. As a matter of fact, I gather that if they had allowed the original contractor to continue, they would have spent about \$1.5 million less. But after all this litigation, they are now spending about \$5.5 million more, so I gather.

We would not have had all the overruns on all the projects. We would not have gone up to Heywoods where we had a project for under \$30 million and end up with one for between \$60 and \$70 million. We would not have started off with a project which was for Barbadians to lease and end up with one at such a price that no Barbadian can afford to pay the lease, because for them to find over \$300 000 to lease the property, they might as well go and buy a hotel of their own. We would never have done things like that.

We would not have thrown \$75 million down the drain on the Transport Board in a few years. We would not have had an energy policy which would have resulted in a 400 per cent increase in the cost of energy to Government, because we would have followed the usual criteria in relation to public utility rate making. That could never have happened.

We would not have had to suppress the wages of the public servants in the way it has been suppressed, because we would have had our priorities right. We would not have had to suppress pensions in the way they have been suppressed.

We would have diverted more money into housing. You may recall that we published a separate manifesto in 1976 because we identified housing as a major area of development in that particular year.

Aside.

Dr. R. C. HAYNES: We would have put more resources behind the police. We would certainly, Sir, have provided better welfare services for the community. There would not be the chaos in education and health that exists today. And we would have provided better institutional support for the productive sectors of the economy. I am quite sure that agriculture, whether sugar or non-sugar, manufacturing and other areas would not be in the state it is in today.

Above all, we would have sought to guarantee the democratic rights of every citizen, which are rooted in free and fair elections. We would never have had a situation where in 1981 many thousands of people were deprived of their right to vote.

We are calling on the floor of this House for more resources to be put behind the Electoral Office. There should be a full enumeration of the entire country under

the Representation of the People's Act and not under any Statistics Act as was done last time, so that people would know where to vote and they would know that they would be voting in the polling district in which they live.

We are also calling for the introduction of a system of scrutineers, and we are saying that any election held under the present Register cannot be a free and fair election. We do not believe anything said by any Member on the other side, because during the last session of Parliament, they repeatedly told us that the enumeration that was going on under the Statistics Act had nothing to do with elections, and that it was for the Health Service. At the last minute they came in here and amended the Representation of the People's Act in order to make that registration lawful for election purposes. At the same time, they carried out the extensive gerrymandering of the boundaries and the net result of that was total chaos on election day in Barbados. It must never happen again in this country.

I am not interested, Mr. Deputy Speaker, in participating in public life in Barbados unless it is securely rooted in democracy, because I know where it ends when one starts down that path. We have had enough examples of this in Third World countries in the past twenty or thirty years. I believe that the time has come when the Government should listen to the people out there and listen to the Opposition and carry out that enumeration under the Representation of the People's Act to make sure that the lists are corrected.

Could you imagine that there are 503 voters in Belleville where most of the avenues are taken up by offices? That is impossible. Could anyone believe that there are 925 people living in Delamere Land, Bannister Land and on one side of George Street? It is absolutely impossible. This is the kind of situation that exists.

Could anyone believe that there could be over 1295 people living in Highgate — I see that the honourable Member for Christ Church West is looking at me. I see him walking in that area regularly in the mornings — from one side of Collymore Rock coming down, going across Britton's Cross Road and going up Layne's Road and then going across Villa Road on the left? It is impossible for 1295 people to be living in that area. I give this as an example not only on behalf of the people of St. Michael South Central, or on behalf of the people of Belleville, but on behalf of the people of the entire country.

5.15 p.m.

If you lose your seat and the elections are free and fair, it is what the people wish. I see the honourable Prime Minister is making a note. I could help you to win the seat in St. Thomas right now, but in places like Porey Spring and Hopewell the children are complaining that promises were made to them that those roads would be

repaired, and they have not been repaired. There is also the crying need for a secondary school in St. Thomas. All these things are very important.

Sir, I revert to the private sector. I believe that we have stated our position in relation to the private sector of Barbados. We want to give them a full assurance that we will re-establish that partnership which existed between us and the private sector of Barbados. We had one minor quarrel over price controls and now it looks like nothing, like a storm in a tea cup; now that they see that against the kind of problems that they have now.

We are going to dismantle the high interest rate regime, we are going to establish a domestic interest rate regime, because we differ fundamentally with you on the role and the function of the interest rates. We are going to make credit available to them again. We are going to increase the purchasing power in the community, we are going to reduce the disabling taxation, and we will use trade measures jointly with them, worked out with the private section. So we will work smoothly to protect any effects on our balance of payments, so that our domestic economy will function properly, and remove the hardships.

There are other instruments other than monetary and fiscal instruments that can be used. Those on the other side believe in import controls, too. But I will tell you how they believe in it. They believe in it through high interest rates, through high indirect taxes, and prices that militate against the poor. They do not believe in import controls as a consequence of the exercise of judicious trade measures, where everybody can have access to the goods imported at a reasonable price and the private sector will be able to make a profit.

I wish to repeat that we will be working hand in hand with the private sector in Barbados, that we will not be taking any unilateral decision. We believe that we can use trade measures in order to protect our balance of payments if it becomes necessary. I believe if we pay more attention to the economic growth, and if we give adequate stimulus to the private sector by removing the burden of taxation, that we would be able to generate enough exports in this country to finance whatever imports the country needs, and it is highly unlikely that we would need to resort to that. What we will not do is introduce monetary policies which have the capacity to destroy the private sector in this country. We will not do that.

Mr. Deputy Speaker, I now turn to the question of unemployment. There is always the temptation to compare unemployment in Barbados to unemployment in the United States and Canada and such places. I feel that Barbadians must understand this. Unemployment in Barbados means starvation or dependence on relatives or

stealing. In the United Kingdom, every unemployed person, even if he has never worked, gets an allowance; and if you have a family, the various allowances you will get can perhaps be even more than what you were working for. So when a Government in those countries pursues monetary policies which would lead to unemployment, they are not doing the same damage to the individuals in their country as is being done in this country now by the present Administration.

There is also another fundamental point. The economic effects of unemployment in those countries are very different, because there is still money in circulation, and unemployment is almost like an industry itself in places like the United Kingdom, Canada, and such countries. So when we talk of 10 per cent unemployment in Barbados and 10 percent unemployment in the United Kingdom, you are talking of the same percentages, but the quality of suffering is completely different, and the economic significance is very, very different.

We talk about unemployment levels. I have said this before, and I mean it. I will never ever respond to anything the honourable Minister of Finance says about unemployment, because in January, 1983, he went to his party's conference and said that his party had created 25 000 jobs and then came in here three months later and said that they had created 11 800 jobs since coming into power, and then got up and tried to justify it on the grounds that he had the right to say it for political reasons. I will never respond to anything he has to say on unemployment again, never ever!

There have been more than 10 000 people thrown out of work in Barbados over the past two years. Unemployment has affected the banking sector, particularly the ones fired by the Barbados National Bank; the commercial sector, the tourist industry, the manufacturing sector; the public sector, including particularly the statutory boards; even households, where domestics have been sent home, the agricultural sector, where the guaranteed five day week is no longer operative in many instances; and the construction industry.

I am talking of 10 000 people whose names and addresses I know and have. You seem to forget that the unions in Barbados keep records. Remember that. Remember that employers keep records. For example, last Thursday I was able to call up the same eight employers that I had called up a year ago and asked them how many people they had employed. A year ago they told me 1 282. Last week they told me 290 are employed. Among those eight alone 1 000 people are gone. I am not going to call any names of firms. We have this myth of the unemployed being re-absorbed in the work force. Re-absorbed where? Being re-absorbed among

the unemployed! I am telling you that no less than 20 per cent of all the people who have left schools in the past three years in Barbados and are in the job market — have found a job. You can work out the figures from that. There are about 4 000 a year leaving and I know of 10 000 that I can identify. I have the documents here.

In the hotel section alone over the past two years — and I am not going to give you the exact figures — it is over 1 000, because I know of my sources. I can call a few names in this instance — Miramar Beach Club, St. James Beach Club, Sunset Crest Club, Long Beach Resort, Sweet Life Hotel, Sandy Beach Hotel, Sunset Crest Rentals, Silver Sands Hotel, Accra Beach, Buccaneer Bay, Barbados Beach Hotel, Rockley Resort, Crane Beach Hotel and they are just a few. I just called them to make the point that when I say I have 10 000 names, I have 10 000 names, because I know the sources from which I get them.

5.25 p.m.

In Government, among the statutory boards, over 2 000 people have gone home. Make no mistake about it. Take the Barbados Marketing Corporation. We know what the Honourable Minister of Transport did there. Take the National Housing Corporation. We know what the predecessors of the honourable Member for St. Andrew did there. Over the past two years over 700 workers at the National Housing Corporation have gone home. We know what has been happening in the rationalisation of the School Meals Programme. Then, there is the Sanitation Service Authority, and the National Conservation Commission. These are only a few we are talking about. Do you want to hear more? We have other names too, do not worry.

If you take the garment section of the manufacturing sector, I will tell you that more than 1 000 have gone home. Take closures like Mapp's Garment Factory, Trident Gloves, Russell Knit, Coopers (Barbados) Limited. A large firm like Koves, which probably employed 600 people two years ago, are down to about 200 now. That is 400 gone. That is the scale of job losses in Barbados.

Aside.

Dr. R. C. HAYNES: That document I have I will make sure that no one gets access to it because I know the extent of victimisation in this country. But just remember when you are publishing percentages in the future that there are people like myself who are prepared to sit down and get in touch with the unions, and the Labour Department, too. I say no more. We will get the information that we need from the employers in Barbados and we will know the people who are employed. People pay dues to unions when they are members of unions,

and the Unions will know how many of their members are unemployed at a given time.

Sir, I want to look at the public debt. I think it is absolutely important that people should be made fully aware in greater detail than last time. I only referred to the global picture. In March 1976, the public debt of this country was \$213.7 million, \$165 million domestic and \$47.9 million external. In January 1984, the total public debt, that is the debt on the Consolidated Fund, had risen to \$857 million, of which \$509 million was domestic and \$348 million external.

But, Sir, I want to tell you this. A lot of the external debt of this country is being hidden. There is the whole area of public guaranteed debt, which is not reflected in the Central Bank's statistics, and these are debts contracted by the totally owned subsidiaries of Government. It is impossible to know today what are the level of draw downs on those debts, obviously, but I can tell you it is more than \$192 million.

Then there is the question of the Central Bank's borrowings, and you would not get that until the Central Bank's statement comes out, which will not be laid in the House until after the Budget. But looking at the combined World Bank and IMF figures, I would say it is quite safe to say that the total external debt of this country is about \$690 million or thereabouts, if not more, and then on top of that you have the domestic debt of \$509 million, which makes it \$1.2 billion, and that does not speak to other debts of other corporations, like Barbados Light and Power Company, where they have encouraged them to go into heavy foreign exchange borrowing. You do not export electricity from Barbados, and those foreign debts have to be paid out of the foreign exchange earnings by the other sectors in this country. However, that is another matter. I will not deal with that at the moment.

Barbados' external debt as a percentage of its Gross Domestic Product is one of the highest for a non-oil producing developing country. That was so in 1981, as determined by the International Monetary Fund in the Article IV consultation, and it has got worse now, because the debt has escalated. In the three years since 1981, there has been no growth in output in the economy. In fact, there has been contraction in output in the economy over the past three years. If it was one of the highest in 1981, the foreign debt has escalated since then, we have had two years of negative growth, one year of zero growth, and it has to be higher. I do not think the 27 per cent projection of the International Monetary Fund is correct. I think it is even higher than that, and it has got to be higher than that.

We know, for example, that the foreign borrowing went into the sugar bonds, and to the Barbados National Oil Company, guaranteed by this Parliament. There were loans to the Barbados Development Bank, loans to Housing, World Bank loans for the IDC. We can take a whole list of them over the years, and let me tell you, it is not less than \$192 million to \$200 million. I would be glad to be contradicted, and I believe that the Honourable Minister of Finance has a duty to tell the people of Barbados what is the true external debt of this country, and not merely tell them what is the debt in relation to the Consolidated Fund as quoted in those figures there. I say it is \$1.2 billion, and I have the information to support it. Challenge that figure!

It is absolutely vital information, because that foreign debt is the first charge on your foreign exchange earnings, and it is by those foreign exchange earnings that we eat and drink in this country. It is those foreign exchange earnings that generate employment. As a matter of fact, it would be fair to say that the motive force for economic activity in Barbados is, ultimately, to earn enough foreign exchange in order to get economic activity going in this country. But you compromise that by taking off the top massive amounts of debt service and pump it into non-productive areas, like roads, where you have borrowed a whole lot of money for the building of roads, even borrowing money for the counterpart funds for the building of roads whilst you allow all the existing roads in Barbados to go into a state of disrepair; and you will have to go and borrow money now to rehabilitate the roads in Barbados, when a proper road maintenance programme would have avoided that.

In the field of education, Sir — and this was mentioned by the Honourable Minister of Finance, so I can go into this area too — there is chaos at every single level of this country. The morale of the teachers is at the lowest ebb. They are fracturing our own campus here of the University of the West Indies, because they are undermining the principle of academic freedom; and without freedom you do not have any university, you just have a glorified high school, as far as I am concerned.

You have compromised the School Meals Programme. The workers in the School Meals Programme have been persecuted from the day you came into power in 1976. You have increased the rental of the school text books by 400 per cent, from \$5 to \$20. You have increased the bus fares, you have victimised several teachers. The salaries of the teachers throughout the country are totally inadequate, and I support their legitimate demands for substantial increases in salary. Their demands are also supported by all my colleagues, with whom I have discussed this matter.

There has been extensive rundown of the physical plant in the schools of Barbados. I am shocked when we go to some schools and see the state of the furniture.

You have had the appalling situation, an appalling public health problem, where children have gone to school and the toilets did not have things like soap and the other necessary things in order to maintain proper hygiene on the premises. You have unconstitutionally interfered with the right of teachers to choose their employers, but, thank God, we still have an independent judiciary in this country — they, too, are grossly underpaid — the Smith case will be a landmark in this country.

3.35 p.m.

Mr. DEPUTY SPEAKER: The honourable Member knows full well the rules relating to matters which are before the court. I will ask the honourable Member to contain himself and keep within the rules of this Honourable Chamber.

Dr. R. C. HAYNES: Is it before the court, Sir?

Mr. DEPUTY SPEAKER: The honourable Member knows full well the rules that deal with matters before the court.

Dr. R. C. HAYNES: I was under the impression that the matter had been disposed of. I am sorry.

Mr. DEPUTY SPEAKER: The honourable Member must keep within the Rules of the House. I do not want to interrupt you in your speech. I hope not to interrupt you, so please keep within the Rules.

Dr. R. C. HAYNES: Sir, I am sorry about that. I was under the impression that the matter had been disposed of.

I will get on to the area of health now, Mr. Deputy Speaker.

There was a lot of play made yesterday about a free National Health Service in Barbados. The Barbados Labour Party promised the people of Barbados a free National Health Service. Now, they are telling them, eight years later, that it is free on the point of entry, like when you go to a doctor. It is free when you go through the door.

In the meantime, they have slapped on a 2 per cent levy since 1981, and they have hardly delivered anything to the people of Barbados. They have increased the cost of drugs, the cost of laboratory fees, the cost of private hospital beds, the cost of X-rays — increased the costs of all services provided by Government. In fact, between 1976 and today, I have calculated that they have collected an additional \$70 million under health. What have they given the people back? That is the free National Health Service that they are offering people.

They say they are offering a Drug Service. The Drug Service is characterised by (1) shortages; (2), by poor quality drugs that cause a lot of problems to the patients receiving them and, thirdly, people are now paying for drugs which they once got free, because in the past, all drugs provided by Government, the full variety, were paid for out of the Consolidated Fund. It was free whether you were in a private ward, a public ward or anywhere else — if the drug was not available in a public institution, then they sent to the agents to get it, and if it was not available there, a telephone call was made to the overseas supplier and it was flown into Barbados. That was the position in Barbados then.

Despite this so-called rationalisation of the Drug Service with a view to the reduction in cost, the cost has, in fact, gone up from under \$3 million to over \$5.5 million, so you are paying almost twice as much money now for inadequate drugs.

In addition, I would think that the morale of the staff at the hospital is at its very lowest possible level now. It was almost unheard of.

What did they find? Because I want to find out what they nationalised. They found a Public Health Service that was totally free then, and is totally free now. That is what they found. The only challenge to the public health services in Barbados that I have known about in the past twenty years was when they tried to fire the Aedes Egypti officers some time ago, and they have in the rationalisation of that programme now under consideration, to dismiss some of them. There has been no epidemic, as far as I am aware, in Barbados, apart from the common cold, in the past seventeen years; no kind of epidemic, so the public health services have to be adequate.

What in the hospital services are they nationalising? The total hospital service in this country has always been free, free from the time hospitals were invented. The only non-free component of hospital services in Barbados was that if one elected to go in a private room, then one paid the difference between what one was entitled to as a public patient and the cost of the private room. That is why those rooms at one stage were \$9 a day, or \$6 a day, then \$12 a day, then \$25. I believe they have gone up to some \$80, because they are missing out on a fundamental point, and patients in hospitals now not only have to pay for the rooms and, pay doctors' fees, they have to pay for drugs, intravenous infusions — the whole lot.

If you look at the primary health care before they came into power, more than 70 per cent of the primary health care in Barbados was totally free. In fact, the only part of the health care service in Barbados that was not free related to a few private G.Ps, a few private specialists, a few beds, about 60 beds at the Q.E.H.,

which you had to opt for because you had a right to the public beds, a few beds at the St. Joseph Hospital which were highly under-utilized, and, I believe, about 20 beds in two clinics along Bay Street. That was the total amount of the private sector in Barbados.

They have not only collected \$70 million, but they have thrown away millions and millions of dollars on all sorts of studies, and now they are falling back on the same programme which we recommended in our 1976 manifesto as far as dealing with the primary health care problems in this country. I know they found the programme there, because even among that small sector of private practice in Barbados, there was a time when a doctor could send a patient to the hospital and ask to have an X-ray done, and it would be done free. All he had to do was to write up the form and say that the patient could not afford it. All that has been abolished now. They are frantic now. They are looking for an election issue, so they are talking about a free National Health Service.

The fact is, the least cost factor in a Health Service is the fees paid to a doctor. If a doctor charges a patient \$20, \$50, \$80, or \$100, it will end up at the end of the year as the least cost factor. Where you have to spend the money is when you have to go and buy the drugs, get the X-rays, blood tests and so on. Now they are telling you that, having collected \$70 million from you, and that they will be continuing to collect \$16 million a year, they are going to give you a free Health Service by spending a few million dollars on a few general practitioners in Barbados. That is the free Health Service!

They have made no allowances for the massive costs of the things that flow from going to a doctor, no allowances for that. Not only have they not made allowances for that, but who is going to do the X-rays? Have you got the radiologist? Have you got the X-ray equipment?

I heard a facile statement made on the floor of this House yesterday, that if you set up that primary care system you are going to relieve the load on the Q.E.H. That is absolute foolishness. It has been shown to be foolishness again and again in all health care systems.

What you get is an open-ended type of health service, and the net result of that is going to be a greater demand on your secondary care systems, particularly on infrastructural areas which you do not have. You can only be fooling the people if you are going to tell them that because they may have access to a doctor that they have a free National Health Service, particularly the people in the older age groups.

A barium meal — that is an X-ray of the upper stomach and a barium enema is commonly required in

elderly people. This can run into \$300, and the doctor may charge the patient \$20, \$25, or \$30 for the visit. You are fooling the people. They have already paid the money, and what you are doing now is that you are trying to get a programme to get something off the ground in order to justify that.

I heard enormous sums being offered to the doctors. I can speak about this, Mr. Deputy Speaker, I do not have to declare any interest, because I am not one of the doctors who will be involved. In the actual proposal before the Medical Association — I will make this a document of the House if you wish — they are offering the doctors as remuneration a capitation fee of \$22 per patient per year, an after hours service of \$4 740 a year, that is a 24-hour service all the time, seven nights a week, Saturdays and Sundays, which is \$100 a week. The group practise allowance offer, which we heard talked about yesterday, is \$50 a week; continuing education allowance, the offer is \$8 a week; seniority allowance, the offer is \$62 a week. That is the remuneration of the doctors for looking after 450 patients.

What I believe the honourable Prime Minister has been talking about is what would be the ultimate objectives of the Government with a full scale primary health care system. This may come in 1990 or the 2000, and you do not know, but the people of Barbados must understand that what the Prime Minister was talking about yesterday is nothing to do with the negotiations presently being conducted between the Government and the Barbados Association of Medical Practitioners. The total remuneration being offered is \$23 122, and the Government is willing to pay expenses amounting to \$22 816, out of which a doctor will have to pay a locum when he goes away on holiday. So if a doctor goes away on holiday for four or six weeks a year, out of that \$22 000 he has to employ another doctor. This is what is currently being negotiated. These fantastic sums that we heard talked about have nothing to do with current realities. That is purely what the honourable Prime Minister is thinking about.

5.45 p.m.

This is the document here that is before the National Health Service: Document NHS/NEG 184, National Health Service, Group A Model, 450 patients. It even goes on to say that if BAMP is willing to withdraw its proposal relating to a pro rated payment of registration fee, then this amount may be increased by a few dollars.

Mr. DEPUTY SPEAKER: The honourable Member knows well he will have to make that a document of the House.

Dr. R. C. HAYNES: I will make it a document of the House. I said so in the very beginning. I am very happy to make it a document of the House.

I want to strike a note of caution. It is customary and it is a good political ploy to tell people you are going to give them a free National Health Service. The Labour Party did it in the United Kingdom; it was done in Toronto recently; it is done in the United States, but the net effect, when you analyse them over the years, is that the doctors do better than anybody else, the health professionals do better than anybody else; so do not fool the people.

What is questionable is, do you get adequate patient care as a consequence of it? In the United Kingdom today, for every £5 spent under the National Health Service, less than 80p actually goes into direct patient care. In OHIP in Canada, their health costs escalated from \$3 billion to \$9 billion in a matter of a few years, and they have tried over the past two years to control expenses by closing down hospitals and by cutting down the number of graduates from medical schools, because the province could no longer bear the cost of it. There is no one who can tell you what will be the demand of a health service in ten or twenty years' time. You cannot plan for it, and I am telling you now that if you were to spend \$10 billion a year on health, you could not improve the vital statistics unless somebody came along and made some discovery which may allow people to live longer.

When the maternal mortality rate drops to about 1% a year, you do not improve that by spending \$10 billion. If you spent money on housing, leisure, education, proper transport and so on, then through these mechanisms and the multiplying effects right through the community, you have a fundamental influence in health development in the country. You are getting into an area which has serious long term consequences and you just would not listen. As far as I am concerned, you can go ahead if you like. That is your business. It does not affect me, because within the next two years, by 1986, I will be sitting right over there.

There are some very interesting things about health, and many things could have been done in the health service of Barbados. Over five million people travel down to the southern United States from Canada and the Northern United States in the winter season down to Florida and the associated areas, and they go down there because they want to be in a place that has tertiary health care facilities. Some go to Puerto Rico as well.

If we had a properly developed tertiary health care system, as we could have had — we had made a start

with intensive care, cardiological services, radio therapy, paediatric services and so on here in Barbados — all we needed, through good promotion, was to let the people know that we have these facilities. The demand on the actual facilities work out to less than one per cent of the number of persons coming to the country, and the earnings from that sort of health related tourism would be enough to finance the entire health and the education services of Barbados.

I can tell you that because I have studied programmes like the haemodialysis programme, the federal funding in the United States and certain Italian tourist destinations. You are talking about several billion dollars in revenue, through tourist expenditures, generated in those areas. You can get into a cardiological hook-up programme here in Barbados, which would not cost the Government of Barbados more than \$100 000 or \$200 000. All these wealthy people with peace-makers and what not — although nothing would go wrong with them because there is only one in a million chance that something would go wrong — would come to a place where they have that hook-up with a central station in the United States. But you need an intelligent Minister of Tourism. You need a tourist Board which is sensitive in this kind of area in order, to promote this sort of thing as an area of tourism.

Can you imagine what 50 000 tourists of that nature being in Barbados for two or three months every winter would mean to the apartment business in this country? Have you ever asked yourself what contribution the health services in the United Kingdom or Britain makes to the tourist industries in these countries? Do you know of the hundreds of thousands of people that go to the United Kingdom for a check up and who spend two or three weeks on holiday in those places? We have wonderful opportunities here in Barbados but we are not making use of them. We can finance our health services out of that sort of thing.

It is not for me to tell you how to run the Government because, instead, you have gone and got yourselves mixed up in the St. George's Medical School, which has damaged the image of this country already. We have expressed our professional position on the matter, and I am stating here on the floor of the House that it was the Honourable Minister of Finance that issued the directive that that school should be established in Barbados, subject only to the instant political considerations. Hear this!

"I have considered all these factors and I have come to the firm conclusion that the school must be supported subject only to the instant political considerations."

The most, disgraceful directive probably ever written in the Minutes of any Government department in this country!

He may not know, but I am going to tell him now, that that school is owned by a man called Modica. That school is financed by New Jersey Mafia money. I am telling you. I am just going to give you the fact sheet; then we may all make our judgment on the matter. The Vice Chancellor of that school, Dr. Jeffrey Bourne.....

Mr. DEPUTY SPEAKER: The honourable Member knows the Rules of this Honourable Chamber. Before you are permitted to debate the names of any person in this Chamber, notice must be given to the Speaker or the Presiding Officer. If the honourable Member can show me that he had given such notice, I will then permit him to do that, but I will not permit him to use the name of any member of the public in this Chamber when such member would not have the equal right to reply.
5.55 p.m.

Dr. R. C. HAYNES: He is not a member of the public.

Mr. DEPUTY SPEAKER: I will not allow the honourable Member to go against the Rules of this Chamber.

Dr. R. C. HAYNES: The Vice-Chancellor of that institution was head of a primate centre in Georgia, United States, that worked hand in hand with a centre in the USSR on a project related to altering the psychological behaviour of human beings for the production of psychological shock proof terrorists.

His son was the psychologist to the former President of the United States — I guess I can say, "the former President of the United States" — and he was forced to resign in 1978 for writing fourteen illegal prescriptions and being involved in illicit drugs in the State Department.

Mr. DEPUTY SPEAKER: I am going to refer the honourable Member to Standing Order 28 10.:

"Any Member who desires to refer in debate to the character or conduct of any person in his official capacity must deliver to the Speaker written prior notice of the proposed reference; the notice must set out the facts on which such reference will be based and must be signed by the Member giving it."

I do not want the honourable Member to go against the Rules of this Honourable Chamber. I would hate to interrupt at this time, so I would ask the honourable Member to comply with the Rules of this Chamber.

Dr. R. C. HAYNES: Sir, does that apply to non-Barbadians in the United States?

Mr. DEPUTY SPEAKER: It applies to anyone. It says, "debate the character or conduct of any per-

son". I am taking the words, "any person" in their widest sense.

Dr. R. C. HAYNES: Outside the jurisdiction of this Parliament?

Mr. DEPUTY SPEAKER: You started by debating the St. George's Medical School in Barbados. I will not allow you to go against the Rules.

Dr. R. C. HAYNES: But I am going to say this anyhow. Already, people at that Medical School are writing prescriptions in Barbados. These prescriptions have been forwarded to the appropriate body and I have advised them to send them to the police, because they are in breach of the Laws of Barbados.

I go further. There are certain persons associated with that school who have been involved in Vietnam programmes, the extended community consciousness programmes to train Vietnam terrorists, using psychologically traumatised veterans, as assassins. You find out what is happening.

I am telling you that you are spending all this money on Defence and Security and that the St. George's School is a greater challenge.

The son of the Vice-Chancellor is associated.....

Mr. DEPUTY SPEAKER: The honourable Member, please.....

Aside.

Mr. DEPUTY SPEAKER: I will not allow the honourable Member to get into character assassination at this time.

Dr. R. C. HAYNES: It is not character assassination. It is the security of this country.

(Rt. Hon. E. W. BARROW: You do not like to hear it.)

Dr. R. C. HAYNES: Whilst we were planning for the United States to invade Grenada, or the United States was planning to use Barbados to invade Grenada, the people who administer that school sat down along with a Robert Pastor and drafted a Constitution for the Austin government. I am saying that as a fact. I have seen the constitution that was submitted to Washington, and one of the principal recommendations was that Austin should not seek to reduce the Cuban presence in Grenada.

If you do not want the public to know what you are involved in, I am going to tell them what you are involved in. So you can determine whether or not you

wish to put the security of this country at stake. It goes far beyond medicine. It goes far beyond education. Very germane to this whole matter now is exactly whether or not Barbados would be the next target.

The same United States legislator who did the negotiations to put the St. George's School in Grenada was the same person who was negotiating to put Jim Jones' People's Temple in Grenada, and then decided to move to Guyana and negotiated with Burnham to put it in Guyana. Just try and find out.

Laughter.

Dr. R. C. HAYNES: He is a Californian legislator. There is enough information on this.

If you pretend that you do not know, well, you do not know. That is your fault. I am just telling you that you have a serious security problem in Barbados.

I should like to talk about housing very briefly. The Government's performance in housing has been a total and complete disaster. People who wish to get a house face major problems in terms of the cost of land, and the cost of building materials, taxes, mainly consumption taxes, augmenting those prices. And with the low wages that they earn, they cannot save enough in order to find the deposits. Those who already have a house have problems meeting their insurance payments, their interest payments, the cost of repairs and property taxes.

As far as we are concerned, and as I have said before, we are going to re-establish the situation in Barbados where all the expenses of the home can be deducted. We will also be looking at longer term mortgages and we will be looking at graduated mortgages. The Shadow Minister of Housing, I am quite sure, will speak a bit more on that matter.

In the area of public transport, I have always said that the Government has thrown \$75 million down the drain, not to mention the increases in bus fares, I think it is a 300 per cent increase in bus fares, from twenty-five cents to seventy-five cents. This is not to mention their claim that they now have three times as many people travelling on the buses! Their revenue should be about nine times what it was, and yet, they have thrown away \$75 million.

The only person who identified the problems related to the Transport Board was the honourable Member for St. Michael East (Dr. D. G. Blackman), and, no doubt, he could no longer remain in the Cabinet of Barbados. That whole mess related to nationalisation without preparation, a failure to understand the management requirements of an extended fleet, incompatibility of the fleet, and an effective training programme at various levels. I do not wish to get into the details.

Unless you pay attention to the basic factors involved in the Transport Board and find out the true reasons why you are making the losses, and do not go on making silly assumptions that it is the conductors stealing and all that kind of foolishness, then you will never be able to solve the problems of the Transport Board. If you put up the bus fares to \$4 a ride and if you increase the subsidy to \$50 million a year, you are not going to improve it, because there are fundamental structural problems involved in that Transport Board.

There is no need for me to talk about the rate of inflation. I have already said that I do not accept the figures produced by the Government. Last year, we produced the macro-economic parameters as followed by international bodies. They were projected back five years and the figure they came up with for the 1983 inflation rate was over 20 per cent. When I extrapolated that draft this year it comes to 14.2 per cent plus or minus 1 per cent.

We have expressed our position on the interest rates in Barbados. We feel that the fundamental assumptions in relation to interest rates are wrong. You cannot have an interest rates regime which is predicated on the assumption that, through interest rates, you would prevent the loss of hard currency from Barbados. It is a wrong assumption.
6.05 p.m.

That is a function of the exchange control authority. Cut out the gambling and so on and you will find that we will lose much less foreign exchange. Nobody is going to send money to Barbados and change it into Barbadian dollars because of a higher interest rate. You are not going to attract capital through high interest rates. As a matter of fact, what happens in this sort of society is, it paralyses the private sector. It is ruinous to the small businessman, it reduces the incentive to invest in productive areas, it leads to unproductive savings; it increases your debt service, it increases your taxation demands, and, ultimately, it is totally ruinous to the poor through unemployment and increased prices. So we totally reject the fact that Barbados cannot have an independent interest rate.

Similarly, yesterday I heard the Honourable Prime Minister boast about the fact that they have raised institutional loans from \$1 million to \$90 million or something like that. We feel strongly about that. We were never interested in borrowing any large sums of money from people like the World Bank and the IMF, because those loans bring with them important elements of policy changes in this country. A classic example is the loan which we got from the World Bank, when we guaranteed the \$12 million to the Barbados Light and Power Company. As part of that loan, and written into the financial covenants, those rates had to be increased at least to the level at which they were increased.

You get the appalling situation where, no matter how the Barbados Light and Power Company tried to put their case, they could not put a satisfactory case. The Board handed down a judgment which, in fact, said that they did not prove their case, but then intervened and gave them \$4.2 million in deferred taxes, \$284 000 in investment tax credit and \$3.24 million for corporation tax, having accepted that the corporation is unlikely to pay Corporation Tax for years, and the corporation in evidence said that they would not pay the Corporation Tax. Can you imagine that? And based on the theoretical liability Corporation Tax, \$7 million in revenue requirements were added to the Barbados Light and Power and that was reflected in the rates.

Our position is simple. We do not feel that a public utility should be a source of Corporation Tax. We feel that if they make enough profit to generate corporation taxes, then it should reflect in the reduction in the rates. We have taken the decision to remove the liability of all public utilities to Corporation Tax. Once we have done that, then the whole question of deferred taxes and investment tax credit, and all of those things will go through the window. Never again should it happen in Barbados where a public utility, because of a foreign loan tied up in covenants, can find itself in a position where an administrative tribunal has to come out and say that the utility has not proved its case as required under the laws, but we have to give them the money because of the peculiar situation in which we find ourselves.

Many people may think that I am not correct when I make that statement. I will also make this a document of the House. It is the decision of the Public Utilities Board of Barbados, May 28, 1983, page 3. This is what the Public Utilities Board said:

"In this case the Board has been confronted with a situation in which arguments vital to the success of the company's case have not been properly articulated and where material relevant to the case and in the company's possession was not produced or referred to at the hearing. In the Board's view inadequate research was undertaken on some issues and the Board derived little or no assistance from the company in seeking to make its findings on some of these issues."

Believe it or not, the issues referred to here were the issues of Corporation Tax.

I must say this about the lawyers for the Barbados Light and Power. They made it quite clear that the Public Utilities Board was party to the agreement and, as far as they were concerned, they were not going to stick their necks out, nor were they going to argue the case for the Corporation Tax. The lawyers for the Barbados Light and

Power Company who know the laws of Barbados never did it, and it is to their eternal credit that they did not put their profession on the line. But whoever wrote that opinion apparently took a different view.

We know, Sir, that tourism is in chaos. I cannot go through all the woes of tourism now. All I can say is that urgent action is needed to rescue tourism in Barbados. I am going to suggest that Government must take steps to reduce its impositions on the tourist industry. Secondly, Government should intervene and reduce the cost of electricity in Barbados now that the Light and Power has made \$5 million, because it would appear that they are even now reluctant to issue the shares which they had promised they would do. They do not have to. They have too much money up there. They are stronger, and all the other sectors – agriculture, manufacturing, and tourism – are so much the weaker. What is the point? Does it make any sense to do that?

I have often warned about the extent of exposure in tourism. I believe that it is going to have to undertake a major rescheduling of the loans to the tourist sector. Probably there will be a significant moratorium on capital repayments. It is important that these things be done at an early stage. I invite the commercial banks to hold strain and to do nothing to precipitate bankruptcies in that area, because there are several hotels in Barbados on the line. There are a lot of people around who are waiting to pick them up cheap.

If the Barbados Development Bank makes a move, I will certainly support any proposal, even if it means increasing the share capital of the Barbados Development Bank in order to allow it to do that or, in the alternative, in a selective instance, even if it means participation. We also are well advanced in our tourism plans to create a situation where there is proper stabilization of the work force in the tourist industry.

The sugar industry, we know, is bankrupt. We know, due to the incompetence of the Minister of Finance and the lack of supervision of credit to the industry, what happened in 1980 – there were major losses through unsupervised credit by the Barbados National Bank. The sugar industry's position is not due to foreign domestic prices. It is not due to poor export prices, because the prices that you got for sugar since you were in power were about 100 per cent higher than what we obtained in the previous seven years when we were in power. I have the exact figures. The average price since 1976 to 1982 was \$761.70 per tonne for export sugar, and the average price for the corresponding previous six years was \$375. It is not due to any levies taken out of the sugar industry. We all know that, because the net transfers have been to the sugar industry. That work has already been done by the Central Bank.

The point I want to make is that we are propping up the Barbados National Bank, and we are propping up that industry – let us face it – because they are heavily exposed. I think the total outstanding debts of the

industry now might be somewhere between \$130 million and \$150 million, including the lock-ups in the National Bank and elsewhere. The total support given by the taxpayers actually adds up to \$78 million since 1981. It was \$24 million in 1981, as a consequence of the collapse of the Sugar Levy Funds, if you may recall, \$32 million in 1982, \$10 million in 1983, and about \$12 million in increased prices for sugar, which would have not normally taken place if there was not a specific attempt to assist the industry in that way. That has had an effect on the sugar industry and various other things.

6.15 p.m.

The total is \$78 million. If you take out the increase in sugar prices, you are still left with \$66 million price support to the industry. At the end of the day you are roughly in the same position, because you are still producing less than 100 000 tonnes. I hope that you get a little more than 100 000 tonnes this year.

One very important factor is that you have not tackled any of the basic problems related to the sugar industry. Corporate reconstruction does not solve the problem. You have not addressed yourself to the problems of haphazard mechanisation in the sugar industry. You have not addressed yourself to the problems of transport costs. You have not addressed yourself to the problems of compaction. If we had rain over the past two months, with the equipment I see in the sugar fields in Barbados, we would have had a serious problem of compaction of the soil in Barbados again this year.

I have said all along that my view of the sugar industry is that it is basically a cane industry, and with a bit of imagination, and with the kind of public support that is now being given, we should think of a cane industry where the cane growers can grow cane at a price that is rewarding to them. I can assure you that, with modern developments in technology, the final product might be a mix of sugar, rum, molasses, what you like; you can get into methanol, refined sugars – there are major markets out there – and you can even get into refined alcohol. As a matter of fact, the Howard Davies plantations in Hawaii, a small plantation group, through pelletisation of bagasse, a new technology developed in the United States, is now producing 12 per cent of the total energy needs of Hawaii.

I am not telling you to go into gasohol this year, or anything else this year. What I am saying is look at the totality of what you are doing. I believe there is a great future for the sugar industry in Barbados, but I think you have to think of it as a total indigenous industry where when you have produced cane you are quite capable of going into other areas, according to market conditions, demand, prices and so on, because, by and large, except for the area of energy, it is the same technology

and the same infrastructure that you are using in relation to all the other things.

As far as our foreign reserves are concerned, I would only caution the public, when you see figures of \$200 million and \$300 million being stated as our foreign reserves, to remember there is still \$120 million owed to us under the CARICOM Multilateral Clearing Facility. We got \$10 million in one year, the interest rates to start off with are exceedingly low for the MDCs that participated in that, and I do not know whether they have been paying any interest on that money, so the \$120 million might become a bad debt. I do not know whether we are going to get back that money.

Then we have to remember that those foreign reserves also constitute official borrowings by Government. You have things like the sinking fund for domestic debt in it and the sinking fund for external debt. I believe our foreign securities may be so run down that they hardly exist any longer; they may be one or two million dollars. They have been sold off over the years, and all the securities that the honourable Member for St. John (Rt. Hon. E. W. Barrow) had deposited over the years have been traded off to meet short term needs.

The Central Bank has been forced again into major borrowings because of the actions of the honourable Member for St. Thomas. In fact, for 1981 and 1982, if you were to look at the pre-appropriation profits of the Central Bank against the interest rates, the amount paid in interest, you will see the extent to which the profits of that bank have been eroded over the years by the need for short term borrowing in order to keep this country afloat.

But, Sir, that situation will never happen again, because there can be no doubt that the Central Bank of Barbados is well managed, one of the best managed institutions in Barbados, as far as I am concerned. It is an important instrument in the developmental process. It had contributed considerably to research development in Barbados. Its work has been of great importance to researchers and to people like myself.

Nevertheless, you have the paradoxical situation where I would have to say on the floor of this House that if we did not have a Central Bank, we would not have half the problems we have today. Do you know why? Because they would not listen to the advice of the Central Bank.

If you go back to 1980 and 1981, you will see what the Central Bank was saying, but the Honourable Minister of Finance invaded the Central Bank of this country and printed money to the extent of \$85 million. You see the situation where borrowings from the Central Bank rose in 1981 to \$172 million, but since the IMF came in and slapped the ceiling on the net domestic assets

of the Central Bank, that has dropped to about \$90 million. He is now invading the National Insurance funds, which is one of the major reasons why there is no liquidity in the banking system and no money for people to borrow today. He has to go there now, he cannot go to the Central Bank any longer.

We on this side have taken certain decisions about the Central Bank. We are going to amend the Financial Administration and Audit Act and the Central Bank Act in order to make it an offence for any future Minister of Finance to seek to expand this economy for political reasons in that way, as was done in 1981. I would imagine the \$85 million that was printed and the bad debts in the CARICOM Multilateral Clearing Facility, bearing in mind that there were not many credit restrictions in place in early 1981, probably damaged our external position to the extent of some three to four hundred million dollars. That is one of the reasons why we are in this trouble today. We will make it an offence for the Minister of Finance to do that again.

We are also going to make it a criminal offence, punishable by imprisonment, because it creates serious trauma for every single citizen in this country. This legislation exists in some countries, and it is absolutely important.

We are also going to take other steps. We are going by law to establish the independence of the Central Bank within the framework of Government. That needs to be stressed — within the framework of Government. The Central Bank cannot exist independent of the Government, but it has to have a clear independence within the Government system.

I am also convinced that Parliament should have greater control over the activities of the Central Bank. I am not saying over the day-to-day activities, but certainly over general trends within a given year, and these annual statements are not good enough.

We are going to ensure that the conditions of the appointment of a Governor of the Central Bank would be such that he can never refer to himself as a creature of any Minister of Finance. These things are very important, because so long as you have a Central Bank that can create money, you can do great damage to the external position. None of the eastern Caribbean countries, for example, can ever run into the kind of position we have in Barbados, because they do not have a Central Bank.

Aside.

Dr. R. C. HAYNES: They are trying to set up a Central Bank. I am fully aware of that. The point is that they could not have got into that trouble when they did not have a Central Bank. We could not have got

into this trouble if we did not have a Central Bank. Our position, that there has got to be major reform of public financial institutions, is absolutely clear.

6.25 p.m.

Sir, it does not surprise me that yesterday the Minister of Finance was quite unable to offer anything. He rambled on for about two hour, and then in the last half hour, came up with a few proposals. The basic problem, is that he tried to avoid the issues facing the country. Could you imagine in this day and age a Budget presented and hearing nothing said about tourism? I believe the word was mentioned in relation to water rates. Hardly anything done for manufacturing, and all the commercial sector could get were the kind of words that emerged from his lips at the end of his speech! Those kinds of things are not good enough!

I expect a Budget that would have addressed itself to the kinds of problems I have outlined, and which are facing the people of Barbados. No such Budget was presented here yesterday, and that is why it was absolutely necessary for me today to address myself to the problems facing the people of this country.

We could have had, for example, a situation in Barbados where the cost of energy— and when I say the cost of energy, I must spell it out, the cost of electricity, water, gasoline, oil, diesel, all of that — could be reduced by 25 per cent if they had a different energy policy.

I support the Regional Energy Action Plan for the following reasons:— (1) the oil products are available in the region to meet regional requirements; (2) there is a very urgent need for the rationalisation of excess refinery capacity in the region. Such a plan would eliminate the major profit centres of the multinational corporations within the Caribbean. The cost of energy to consumers could have dropped by 25 per cent. The Barbados Light and Power Company, could reduce their bill by \$6 million a year and, therefore, reduce their rates by .2¢ a year if they could buy their bunker C fuel directly, rather than having to go through the present arrangement that we have here in Barbados.

The overall reduction in the cost of energy in Barbados under the Regional Energy Action Plan at last year's prices, when last I looked at this matter, was \$34 million. Barbados could still have pursued its oil exploration exercise if they wanted to go ahead with that. All it would have meant was that they may have had to make arrangements for the refining of the oil in Trinidad. It would have underpinned the Barbados trade with Trinidad and Tobago, because there is no question that Trinidad has to find markets for its oil, and it would have been a lot easier if you had bargained with Trinidad and said "We will buy your oil and you will buy our garments." When you are bargaining on that basis it is a different type of bargaining.

The passing of that capital good through our trading structure with Trinidad and Tobago would have made a major difference to the manufacturing sector of Barbados and would have saved thousands of jobs. But you went up to Trinidad, and sat at a meeting in Trinidad and agreed to the Regional Energy Action Plan, and you came back to Barbados and did something completely different. The meeting was chaired by a gentleman called Patrick Manning. I have the minutes of the meeting. You agreed to it, and then you came back to Barbados and started creating problems relating to trade with Trinidad and Tobago. There is a lot more to it than meets the eye.

If we had a 25 per cent reduction in the price of energy in Barbados to the consumer do you know what that would have done to the private sector in this country? Do you realize what would have happened to the hotel industry? They could well have weathered the storm. Twenty-five per cent is a lot of money. Do you know what is the electricity bill of a hotel like the Hilton Hotel? Do you know what a 25 per cent reduction means to them? I would say that employment losses in the tourist sector would have been substantially reduced. It could have been done, once we had met the commitment, and we would not have lost any jobs in Barbados, because the few people employed by the "top-up" plant we have here — I understand they are about 44 — could be redeployed in the expanding storage capacity if we had gone into that kind of approach to energy in Barbados.

I urge on you, once again, to look very carefully at the Regional Energy Action Plan. It is no idea of mine. It was researched, as you know, by the Caribbean Development Bank, by the CARICOM Secretariat, by experts in energy all around the Caribbean. It is no hair-brained scheme. I am not trying to plagiarize the work of anybody. What I am saying is that the results of the research make a lot of sense to me.

The one thing that I was worried was the security of our oil supply. I am satisfied that we would be no worse off than we are now. And we would get cheaper oil, cheaper electricity, cheaper water, more people employed, tremendous relief from the indebtedness of the productive sector of the economy — but you are allowing the opportunity to go abegging.

Are you going to do exactly what was done in Jamaica? Having gone down to Trinidad and Tobago and agreeing as well to participate in the Regional Energy Action Plan, the next thing they did was to go and buy an oil refinery for lots of money. The net effect of that is that gasoline in Jamaica costs a fantastic amount of money, \$9 a gallon.

What is holding you back? You have an opportunity to show your goodwill to the regional movement, and that is why, I say that the people are concerned about our attitude towards regional problems. I was hopeful when the Government, in August last year, promised that Cabinet would make a decision on the matter and would publish that decision, but we are still waiting for that decision today.

I understood the difficulties of the Minister of Finance. He had to talk about two and a half hours and virtually spent most of his time on things not related to the people of Barbados. I really do not understand what was the purpose of the Budget. There were no developmental aspects to it. You cannot say that it was a tax relief Budget, because in the past he has been able to impose taxes while pretending to give tax relief and you could not find it. This time it was obvious, so I do not know what was the purpose of the exercise yesterday. I would have thought he would have been better off doing what he has been doing all along, that is, charging a considerable amount, levying a lot of taxes on the people of Barbados off-budget.

We have reached a situation in Barbados now where, as one of your members quite rightly said, we are on the brink of a precipice, and it is important that you take the right decisions. It is important that you listen to the problems of the people. I will advise you to listen to the private sector because they have been in this business for a much longer time than you. You may say that the private sector in Barbados reflects the public sector activity, but if you look at the contribution of the private sector to the economic development of Barbados, that statement is not true. I know that that is a creed held by the Honourable Deputy Prime Minister. He has said so again and again, although of course he is private sector too. Is that right?

6.35 p.m.

In winding up, Sir, my final words to the Government is to look very carefully at the few comments I have made on the security aspects of the St. George's Medical School. I think that that school constitutes the greatest single threat to the security of this country at the moment. If you do not know the facts, I am very sorry, but I am willing to give you, by Tuesday, the information which I have available to me, because it affects the security of this country.

Thank you very much.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Deputy Speaker, I rise to suspend the sitting, but before I move the suspension, I think that we will all agree that the country has been treated to.....

Mr. DEPUTY SPEAKER: The honourable Member must move the motion.

Hon. L. S. CRAIG: I am moving the motion, Sir, but in moving the motion for the suspension.....

Mr. DEPUTY SPEAKER: The honourable Member must move the motion. He is not entitled to make comments.

Hon. L. S. CRAIG: Sir, I can speak on the motion for the suspension.

Mr. DEPUTY SPEAKER: If the motion has been moved.

Hon. L. S. CRAIG: In moving the motion, Sir, that this sitting be suspended until 7.45 p.m., I would also make these few comments on the suspension, that the political speeches.....

Mr. DEPUTY SPEAKER: The honourable Member can only make the motion for the suspension. The honourable Member will have ample time within the debate to make all these comments.

Hon. L. S. CRAIG: Sir, I think I am prepared to speak on the motion for the suspension.

Mr. DEPUTY SPEAKER: On the motion for the suspension, but not on the subject matter of the debate.

Hon. L. S. CRAIG: I am not dealing with the subject matter of the debate at all, Sir, because there has been no debate.

Mr. DEPUTY SPEAKER: I shall be listening quite clearly.

Hon. L. S. CRAIG: I think we can go to dinner with the feeling of returning here to then debate the Budgetary Proposals.

I beg to move that this sitting be suspended until 7.45 p.m.

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

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

ON RESUMPTION

Mr. DEPUTY SPEAKER: This sitting is now resumed.

Hon. H. B. St. JOHN (Christ Church East Central): Mr. Deputy Speaker, yesterday while I listened to the

Honourable Minister of Finance delivering his Budget Speech, I anticipated that today the honourable Member, chief spokesman for the Opposition, would find himself in great difficulty. As is usual, he demonstrated once again his capacity to project gloom and disaster, his capacity to invent. All of these may be very desirable, but when they are destructive, and so destructive that they attempt to distort in the public's mind the real facts, I think it is our duty at the very outset to bring the truth before this Chamber.

I anticipated that at some time during the course of the honourable Member's statement his capacity for invention would be used in relation to the relationship between Barbados and Trinidad and Tobago. Loyalty to his country is not a quality that the honourable Member will exhibit, especially when that loyalty is to the truth, or the absence of that loyalty would bring political advantage.

The honourable Member asserted in this Honourable Chamber that the Government agreed at a regional meeting on an energy policy, came back from Trinidad and Tobago to Barbados and disowned the agreement that it made. That is not a factual statement. If there is one person in the Government who is in a position to contradict that statement, it is I. The Government of Barbados from 1978 has been pursuing a policy of attempting day after day, month after month, and year after year, to project the rationalisation of energy use in the Caribbean.

When we came into power, we were faced with an agreement which was signed by the Minister of Trade in the previous Government between Mobil and the Government of Barbados for the refining of petroleum products. As part of that agreement, petroleum products were imported from Venezuela. In 1978, as part of the special bilateral arrangements with Trinidad and Tobago, the Honourable Attorney General at that time and myself, and subsequently the Prime Minister with the then Prime Minister of Trinidad and Tobago and the present Prime Minister of Trinidad and Tobago, who was at that time Minister of Agriculture and Commerce, and other Ministers of Trinidad and Tobago, fashioned out a special bilateral agreement whereby reformat was to be imported from Trinidad and Tobago in substitution for Venezuela, and we have always been honouring that agreement. As a matter of fact, at the last Heads of Government meeting, the Prime Minister and myself had lunch with representatives of the company nominated by the Trinidad and Tobago Government to supply that reformat as to how we could carry further into account the plans and projections which were negotiated in 1979.

I also brought along, and I am going to make it a document of this House, an analysis of the trade between Barbados and the whole of CARICOM for the last two

years, including Trinidad and Tobago, and we shall see who is speaking the truth. I have here that all the products that we have imported from Trinidad and Tobago above \$100 000 in 1982, and petroleum and related products in 1982 amounted to \$79 224 785. In 1983, the figure was some \$80 million. In short, nothing has been done other than to try and further the concept of the rationalisation of oil production and refining within the CARICOM area.

I would have the honourable Member and the public know that, contrary to the impression that he is trying to give, this Government has recently gone out of its way to ensure that a Trinidad contractor, who is drilling wells, who borrowed money from the CDB or Trinidad banks and whose income for repaying that money is dependent upon the drilling contract in Barbados, continued to have that drilling contract.
7.55 p.m.

It is one thing to want to defeat this Government. It is another thing when, in order to defeat the Government, you will invent facts. That is a quality that is not desirable in any man, far less in one who-pretends or aspires to be a leader in this country.

There are other areas too where this inventiveness has got to be exposed. The honourable Member says that he in a position to demonstrate that 10 000 people have lost their jobs in the last two years. He says he has the names. He says he has access to the union books, and he has access to the employers.

No one worries about unemployment in Barbados more than the Cabinet of Barbados. Week after week — and I am not bringing any Cabinet secrets out — we try our best to fashion out ways and means of trying to cushion the impact of the technological changes that have taken place in Barbados, of the recessionary conditions, and the protectionist attitudes that have developed in third countries, which have had their impact on employment in Barbados. I am going to show the nation and this House how successful we have been.

We readily concede that there have been layoffs in the garment industry in Barbados. We commissioned a study on the future of the garment industry in Barbados, bearing in mind that we have a wage structure and other costs in Barbados which place us in an uncompetitive position in relation to the Far East countries and all of the other CARICOM countries, other than Trinidad and Tobago. We hired Boos Allen Associates, a big consulting firm in the United States, to devise for us, after a competent study, the type of industry which we should attract. They came to the conclusion that we could still continue to have garment industry production, but that that garment industry production would have to be in the high fashion area for summer clothes, swimwear, children's clothes and ladies' undergarments.

So successful have been parts of that area of production that only last week the United States Government called for consultations with the Government of Barbados on the increase of our export of brassieres to the United States. Far from there being layoffs in the brassiere production sector in Barbados, there has been an increase. And there are other areas in the garment industry in which there has been an increase.

I readily concede that there are some incompetent producers in the garment industry, who made money in the past, but instead of investing their money in new equipment and otherwise, invested it in other women or other things, and only providential intervention in the form of fires and things like that would bail them out. But the position is clear. A programme has been developed to bring the garment industry technologically and otherwise up-to-date to make it more competitive.

I am very glad that the honourable member mentioned Coopers, because the case of Coopers illustrates something that is going on in industry not only in Barbados, but all over the world. It is that structural changes are taking place — the old traditional industries are losing employment but new jobs are being created. If the honourable Member were a person who had regard for objective presentation of facts, he would have said that parallel with layoffs, there have been job creations, too. But he wanted to make maximum political capital out of his inventive capacity.

The Coopers building that used to employ some 200 to 250 people in the garment industry production is now employing over 350 people in the new modern industry of information technology, where we are freighting by satellite, data processed in Barbados back to the United States. That is the kind of structural change that has been going along under the honourable Member's eyes over the course of the last six years in Barbados.

I have the information here. I am not going to say that I have done this. I have not done it. It is not my function to do surveys. My function is to ensure that Barbados keeps up-to-date with the technological changes that are taking place in the world of industry, the impact of the electronics industry, robotisation, data processing and things of that kind.

This is what has happened. American Airlines, data processing, 288 jobs; Clyde and Company, 33; National Demographics, 86; New American Library, 26; William Bride Press, 10 — and a number of operations are in the very same Coopers building at the harbour. We have replaced the jobs lost in the garment industry production, because Korea can produce cheaper than we can, in the new area of information technology.

We are bringing people into the mainstream of economic activity in the last part of this century, and

that is what we said would happen. We said that this Government was called upon to deal with a very big task. As a result of the changes that were taking place worldwide in industrial production, little Barbados would have to adjust. But we were never believers in gloom and doom. The honourable Member is a past master of projecting that. We have self confidence. We believe that we are able to motivate and encourage and change Barbadians.

It is the same problem we have in other areas. A large part of job losses that have taken place in Barbados came about partly as a result of technological change and partly because of a lack of demand through protectionism.

Protectionism is an attitude that is very dangerous. It is well-known now that not only small countries indulge in it and small minds support it, but big countries also indulge in it.
8.05 p.m.

We have to face protectionism in CARICOM, because nobody can doubt now after the recent speech made by a prominent member of the Government of Trinidad and Tobago that their actions are inspired by protectionism after that speech. The Barbados Government recognises that we have to deal with that problem and we will not be dealing with it on the basis of any tic-for-tac. Our view is that, in the long run, our people in Barbados will change their methods of marketing of their products, will change their product, will take advantage of the opportunities that have arisen, and that we will replace any losses in exports that we have had in any one particular market arising from protectionism with the new opportunities that we have.

The Budget directly addresses itself to these developmental problems. The rebate to the export industries of the stamp duties on raw materials is a direct attempt to deal with the competitive nature of Barbadian exporters. In addition to that, one has to look at this Budget in relation to the expenditure that has already been approved by this House in our Estimates of Expenditure, and when one takes that into account, one will see that the Government is on top of this problem of providing help to the manufacturing sector. We have more than doubled the subvention to the institutions that look after export promotion in Barbados.

We have gone further. Last year we implemented the scheme of providing incentives for people in Barbados to convert from being retailers to manufacturers by utilizing some of their buildings, which they now devote to retailing into factory space and allowing them a reduction from Income Tax.

It is very strange that, lately, the honourable Member has been presenting himself as a friend of the Cham-

ber of Commerce. Nobody believes that. The Barbados Government's position in relation to private sector institutions is well known. We have maximum consultations with them when any legislation affecting their interest is to be passed. We do everything in our power to listen to the comments that they make on any action we take. We are not afraid to tell them the views of the public as to how their organization should conduct themselves.

It is a dangerous thing for anyone to think that when they hold an office in any of these organizations that they can pervert the office in order to give political advantage to any political party of which they are a member. The Government is not foolish. We are noting very carefully how, all of a sudden, some of these organizations are making comments which are not within the province of these organizations. They are political comments, they are designed to project a particular political image, and we will deal with the organizations as if they were political parties. If they allow themselves to be perverted, and they come to the political line, expect to be dealt with like a politician.

As long ago as our election to office, we have tried to project to the Chamber of Commerce and others in Barbados that there is a limited future in retailing in Barbados, that we would like to see some of these schemes that have been built up over the years in the distributive industry in Barbados used to help market Barbadian products abroad, and that we would like to see some of the capital that is locked up in the distributive sector and the managerial talent diverted to the manufacturing area of our economy. Speech after speech have been made to that effect. Obviously, we have had great success in convincing some of the members of the Chamber of Commerce of that viewpoint.

We have a larger indigenous manufacturing sector than we ever had during the time of the Democratic Labour Party. I am therefore shocked and amazed to hear that it is part of the policy of the Democratic Labour Party, if returned to power, to go backwards and implement the policies which they used to implement in protecting local industry, by introducing price controls or import controls. Four hundred and forty businesses went under when the honourable Member for St. Michael West was Minister of Trade. Every Monday morning he spent his time finding out the price of sardines, corned beef, and Andrews Liver Salts. Notwithstanding that careful watch, the cost of living went up 45 per cent in 1975.

Mr. Deputy Speaker, the difference in philosophy and attitude between the two parties in this respect is well known. We do not believe that a community of a market of 250 000 people is a reasonable market to provide a basis for any protection. We believe that, within the context of the CARICOM Agreement, we can have certain measures of protection for certain industries, but

the level of that protection and the industries must be carefully examined. That is why we were one of those who argued strongly for the garment industry to do a study of the capacity of the garment industry, and for there to be a study of the potential in the increase of agricultural trade. That is why we argued, and will continue to argue, that the best way of protection in Barbados and Trinidad — in any country of the Caribbean Economic Community — is to have a regional protection policy. We will continue with that viewpoint.

This suggestion that the Government is anti-Chamber of Commerce and things of that kind cannot bear examination. We will continue to project the viewpoint that there is little future in retailing expansion in Barbados, given the limited population that we have and given the fact that already there are some who feel, with some justification, that too much resources have been devoted in the distributive sector in Barbados. We need to take some of that talent and convert it not to internal distribution but to distribution of goods produced in Barbados and in the Caribbean overseas.

8.15 p.m.

More has been done in trying to educate Barbadians as to their need to understand and appreciate change in this direction by this Government than at any other time in the history of Barbados, and we have had more success. One only has to examine the increase in the loans from the Barbados Development Bank to industry in Barbados. One only has to examine the increase in the number of applications and approvals for fiscal incentives by indigenous manufacturers. One only has to examine the credit from the commercial banks to the industrial sector. One only has to examine the work of the Industrial Development Corporation in this area. One can see that the Central Bank is performing an even more important role in this area too, by the provision of the export credit schemes, and recently by the negotiation of the Industrial Credit Fund for the provision of long term loans.

All this is part and parcel of the Government's policy in relation to development of industry. It is no wonder that the honourable Member does not recognise that these policies have had the effect of creating jobs parallel to some of those that have been lost. The evidence will show that there has been a successful change into new technology by our people.

Our educational institutions have also been alerted to the important role that they have to play in this respect, and we feel confident that the policies we have adopted over the course of the last three years, in particular, have been so successful that now that the international economy is showing some signs of easing, we are poised to take off to gain, to benefit from the

expenditures that we have spent over the course of the last few years.

Another area the honourable Member dealt with is the area of tourism. He is very late when he comes with the lame duck suggestion of trying to ask the Barbados Development Bank and the commercial banks to expand the amortisation schedules. Long ago that was done. What is more, the Central Bank has had a meeting recently with the hotels and pointed out to them that they are also eligible under the Industrial Credit Fund and that the small hotels are also eligible under the Small Businessmen's Scheme. So we have put in place mechanisms and supports to help those areas of the industry which need help.

The honourable Member has not, in the course of his address today, or at any time, dealt with one of the problems that we have to grapple with, that is the problem of the strength of the U.S. dollar in relation to Europe. What is the policy of the Democratic Labour Party in that respect? What is the policy of the Democratic Labour Party in respect of the Barbados dollar? Ours is very clear, that we recognise that it is having some effect on both agriculture and tourism, and we are prepared to provide special measures to help both of those industries rather than to devalue the dollar. As usual, Sir, you will hear that their policy is no devaluation, but at the same time when the Government comes with measures to help, they will vigorously oppose them, particularly the honourable spokesman for the Opposition, as he did when we came with measures to help the sugar industry. He opposed every measure which we brought before this Legislature to help to cushion the impact of the strength of the American dollar, and at the same time he says no devaluation. As usual, he wants to eat his cake and have it too. But the public is quite skilled in seeing the inconsistency in that kind of conduct.

It is therefore totally untrue to say that this Budget and the measures that the Government will introduce do not deal with the economy. Tourism, sugar and agriculture are important facets of this economy, like industry. The imposition of Stamp Duty on imports provides a measure of protection and opportunity for areas such as agriculture, so that when the spokesmen for the Agricultural Association start to talk, let them understand that if there is one area of the economy that can benefit greatly from the increase in the Stamp Duty, it is agricultural production. Apart from the inputs which they have to import from abroad, which would be subject to it, they will not have to pay Stamp Duty on their wages or on other factors of production which are local. Exporters abroad will have to pay that on their raw materials, on their profits and on their labour. There

will be some indirect benefit from the imposition of that, and there cannot be any doubt about it.
8.25 p.m.

In economies such as ours, it is vital that a Government has enough money to pay for the claims on current account against it, and to make a contribution to the capital development. And if we had to pay over \$30 million net in salary increases and if our existing tax base under projection will not provide sufficient revenue, then we should have to look for other means of raising that revenue.

The Government was very careful to ensure that any additional revenue that it raised would not fall on people who were least able to bear it. The Income Tax concessions that are granted here will benefit greatly that section of the community which is least able to bear the burden of taxation.

I hear this talk about Sales Tax and all of that. The honourable Member's Government had sales tax on drugs and we had to remove it. We introduced measures to ensure that everybody over 65 could get their drugs. What are you talking about? The Government record on distribution of income and the provision of social services is one that cannot be matched by any Government that has ever governed Barbados. I am not going to deal with this Government's record because there are others here who are far more competent to demolish any suggestions coming from the other side to the contrary, and when the honourable Member for St. James North (Hon. L. S. Craig) gets up and tells you about the old age pension and others get up and talk in the areas of health, you will understand.

There is one correct thing in the honourable Member's speech, that health costs in any community is one that every Government has to watch. He made it abundantly clear that the experience of all Governments are that doctors will exploit to the hilt any opportunity given to them by a Government in their quest and love for a high standard of living.

I thank him for his warning. I am sure that the Cabinet will tread much more carefully now in our negotiating stance. Now that we have been pre-warned on the floor of the House by the past master in this area, we would be foolish not to take the warning. He has made a special study of it. His capacity for exploitation of the opportunity in that area is well-known, and confession is good for the soul. I hope that, notwithstanding that, at least the contribution he can make to this very important issue in Barbados is to restrain his other colleagues.

All of us know that our constituents constantly tell us that they fear illness because of the doctors fees and

things of that kind. All the Labour Party is trying to do is to remove that fear from the minds of the whole population. We do not have anything against the doctors. We want to improve the system.

We know that it is undignified for a person to have to go anywhere and to have to wait in line when other people who have the money in their pockets can go and get treatment faster, purely because they have the money. We are only trying, within the limits of the economy of Barbados, to appeal to any humanitarian spirit that may be left in the people who are able to deliver the service. We say: "Charge us reasonably, so that we can provide the best we can with our money."

I know it is going to be hard, but the Government does not turn back because the road is hard or bumpy. In the end, we believe that good reason and good sense will prevail, and we thank the honourable Member for pre-warning us. They are not going to break the Treasury of Barbados.

One of the statements made by the honourable Member which we should address relates to the question of energy. I know it is easy for the honourable Member to keep trotting out that we can save millions of dollars if we were to dump the refinery in Barbados and import all of our products. Is the honourable Member not aware of the fact that there is an agreement in existence between the Government of Barbados and Mobil that has not got so long to run? Is the honourable Member not aware of the fact that if you break these agreements, whether you like it or not, good sense dictates that you will have to pay some kind of compensation? Is the honourable Member not aware of the fact that there is a little uncertainty in Trinidad and Tobago as to whether they have the refinery capacity to supply all of the products in relation to the particular product need of each country?

I think the honourable Member had better check out the actual refining capacity in TRINTOC at the present moment. He can check out whether Texaco is producing in the same manner as it was producing a year or two ago. The Government is watching this situation very carefully. Our long-term aim is a complete rationalisation, but we are not going to do it at the expense of security of supply in Barbados.

I find it strange that the honourable Member should talk about the generation of electricity and other non-conventional energy. It is this Government that encouraged the Sugar Factories Ltd. to put any excess electricity that they had into the national grid. I was the one who went with Dr. Hudson and others when the trial at Foursquare took place a couple of years ago. Portvale Sugar Factory was designed with that in mind. Subject to correction, my understanding is that every crop season, electricity is sold from sugar factories to the Barbados Light and Power Co.

This Government also gave great help and encouragement to the use of solar energy and hot water heating in Barbados. We brought in the tax concessions, not you all. 8.35 p.m.

Who could forget when the Leader of the Opposition in 1974-75 came back from abroad and the honourable Member for St. Michael West was talking about the energy crisis and the Leader of the Opposition said "Energy crisis what! What energy crisis!" There was no capacity to change and adapt, but we were bold and courageous enough. We brought in the measures for alternate energy. We are the ones who encouraged the utilisation of windmills again in Barbados for wind energy.

The honourable Member seems to forget these things. He knows them, but he wilfully fails to mention them. He does not mention them; it does not suit his taste to mention them, because it would show up the Government in good light, and he believes, as he has repeatedly said, that in politics if you are to succeed, it is not truth that matters, it is impressions. That is his creed. That philosophy governs his actions, but it is our duty to tell the public what we have done.

This is the time for accounting by this Government to the public for the money that has been spent, and this Government will do it. All who have eyes to see will see. The cement plant is up in the air and is producing cement now. That is where part of the public debt has gone. You had the opportunity for fifteen years to build a cement plant. If you had the courage or the capacity to build it, you would have built it — and it would have cost much less at that time, because you would have been building it at a time before the second energy crisis. I understand that their concept of planning was to buy a ship to ship the finished product before they built the plant and put in the machinery to make the product!

Sir, that is only one of the very important bits of expenditure which is accountable. The Heywoods Holiday Village has been completed. Do not tell me that you would never have built it. I know you would never have built it. You had all the years to build it, but we had the courage to build it. When we built it we knew it would have cost more, but before we built it we commissioned two additional firms of management consultants to give us an opinion as to whether to go or not go.

I well remember that at that time in 1981 the honourable Member was in here screaming at the Government to slash the projects, that the only answer for Barbados, if disaster was not to come, was for us to stop all this building. He shouted that there was too much building going along and that the international economy was such that we had to call a halt. He was trying to scare the community; he was trying to provoke a crisis

of problems in the community. Thank God we had the courage to do what we said we were going to do, that we were going to look at our projects and would proceed with those that were of a productive nature, despite the fact that it would call for a little restraint on the community. We said that some day they would see the wisdom of our choice. They are seeing it now. Those projects have been completed. They will be making a contribution to employment and foreign exchange earnings.

I am surprised the honourable Member has not said that he rang up the people at Heywoods and the Cement Plant and asked how many people are employed. Are they not employers? Well over 500 people are employed in these two industries. You should add them on to the pluses in your column.

I can go on about other projects of a productive nature that have been completed. I can cite the Integrated Rural Development Scheme that is going on, but I do not want to steal the thunder of the honourable Minister of Agriculture. I know that in that area he is going to demolish completely the fallacious argument that Government has done nothing. But before I sit, there is one project that I must mention, because it is in my constituency, and it is a project that has made a substantial contribution to this economy and to food security in Barbados — the fish terminal at Oistins Town. That was in the 1966 manifesto of the Barbados Labour Party. I am happy to say that in its first year of operation, two million pounds of fish have passed through that terminal.

When a Government is a great reforming Government, when a Government is a Government of vision, when it is moving the people forward, one does expect some obstruction. Everybody is not visionary; everybody does not have the courage to move forward. Sometimes in the course of our thrust forward, we meet a little obstruction, but we, I believe, have shown that we have the capacity to move forward despite the obstruction, and that where we have the obstruction, we deal with the obstruction in a humane manner.

The Democratic Labour Party and their colleagues fought the Government tooth and nail on the cement plant, particularly the former Member for St. Lucy. From the time it started, rumours were spread about dust. While it was being built, wild allegations were being made about discrimination and danger. When it is virtually complete, efforts are still being made to halt it, but this Government knew all along that it would be for the good of the country.

What we have done in the course of the last eight years has been of a great reforming and fundamental nature. We have brought Barbados and its economy into

a position that, now that the international recession is showing some sign of abatement in some areas, Barbados can benefit, and the people can benefit. This is only the beginning of the Government's efforts to repay the public for some strain that they have had to hold. As the years go by, as the productive investment begins to bring fruits, the people of Barbados will benefit. They will know that the years of strain that we asked them to bear with us, that we all bore, were not in vain.

Thank you.

8.45 p.m.

Mr. DEPUTY SPEAKER: The honourable Member for St. Andrew will now speak.

Hon. L. B. BRATHWAITE: Mr. Deputy Speaker, it is my pleasure and privilege once again to support the Resolution on the Budgetary Proposals as put forward by the right honourable Prime Minister. The Proposals were so sound and so well put together that the Opposition was in great difficulty to reply. And they did so in a very feeble manner.

The chief spokesman for the Opposition said that the people were bitterly disappointed with the Budget. I do not know where he got that information from. I believe that on leaving here, after delivery of the Budget, he was so busy trying to put together his reply that he would have found it extremely difficult to test public opinion. I, on the other hand, had the good fortune of talking to a number of people across the country, and in my own constituency I had a very good response.

I am particularly happy with the Budget for a number of reasons. One of the principal reasons is that because over the years, I have been making a very valiant attempt to have some control made in relation to the sand pits in St. Andrew. Those pits were attracting to that area large vehicles which do considerable damage to the road system in St. Andrew and create problems for the resident vehicles to commute. I thought that the time had come when, from the product of St. Andrew itself, the people should be able to have a measure of remedial work done to the roads and the infrastructure.

I contribute very much to the view that the resources of the earth are God's great gift to the whole human race, and should be used with due consideration for the needs of the present and future generation. Therefore, I am deeply grateful that, after a number of years of urging, the Minister of Finance has seen the wisdom, and is now bringing a measure of control over the sand pits in that area.

The amount which I saw will accrue from those levies and the charge for the licence seems to me to be very small. I would hope that we get much more than the

amount that is budgeted for, because I believe that from the royalties on the resources of the sand pits which will go to the Crown, the infrastructural systems within that area could be well maintained.

The honourable spokesman on Finance for the Opposition said that he was going to make a people's reply and set out to say that the people are very concerned about the political directorate. He said that the people are concerned with the loss of jobs, the state of CARICOM; that the people are worried about the purchasing power and wages which they receive; that they are worried about starvation; and that for the first time the people have detected a deep concern within the business sector.

I shall start with the business sector. If the business sector is today flirting with the Opposition, I am indeed very sorry for them, and especially the spokesman on Finance for the Opposition.

I recall very vividly just a few short years ago, when the Opposition, in its anxiety to recapture the Government, even at a time before the period for an election was on, set about on a campaign throughout the country — I am not saying they destabilised it — suggesting to the people in the country not to cut the canes and not to do a number of other things. It was this Barbados Labour Party that saw the need for stability within the country, saw the need to have a viable sugar industry and a very stable community, and which continued to be the voice of wisdom and restraint.

I have heard nothing from the mouth of the honourable Member for St. Michael South Central, except his saying on the public platforms that the canes should not be reaped, and very violently attacking the planters in the country and the merchants in Bridgetown, because the merchants and the planters in this country are intricately tied up with each other. Therefore, I cannot understand today how there can be this deep feeling for the merchant classes and the plantocrats in this country by the spokesman for the Opposition on Finance — and I want to suggest to them to be beware of the Greeks, even when they are bearing gifts.

There is one thing about the Labour Party which must always be borne in mind. We are not afraid to say how we feel about any classes within the community. If the merchants are wrong, we will tell them that they are wrong. It is not for them on the eve of Budgetary Proposals to come out and believe that they can hold the Minister of Finance at pistol point and tell him what type of Budgetary Proposals he should come down with. As a matter of fact, it is extremely improper. They need to be told who are the bosses in the country in terms of the political direction in which the country is going.

I applaud the Prime Minister for having told them as it is. It has to be done that way. There is no question

of hanky-panky to any particular sections of the community. When it has to be told, it has to be told.

What I am concerned with is a group of people who do not, in my view, have the interest of that section of the community at heart and are seeking to convince them that they are new converts to their rank and that they are their Lord protectors, when, in truth and in fact, it is not really so.

The honourable Member talked about starvation and bad housing conditions, and said that Government has directed precious funds which should go into housing and other areas.

I am going to develop very carefully and very meticulously, I hope, the question of housing in Barbados, and, in my view, the type of approach which should be made to housing. But I will address the question of starvation first.

It is the policy of this Government that no person at all should go to bed hungry on any occasion. If a person does so go to bed hungry, it is because the person on their own volition chooses to do so. There are means in this country whereby people can make the necessary representation and have assistance given to them — and assistance, as far as I know, is always forthcoming. I suppose there are people who feel that they will never make representation to get that assistance. It is not the Government's fault if they do not go to get that assistance.

There comes a time in the life of any country when you have financial problems. In the wealthy United States of America, which we have all become accustomed to feel is the one country that will never be poor, the one country that will never lay-off, there you have people being laid off. If that is the case, you can well imagine what would be the situation in a fragile and open economy such as exists in Barbados.

We in Barbados are very much open to the conditions that affect the whole industrial world. What little we produce, we cannot dictate the terms of the price being paid for it. That is the situation which we face. We are in that type of open market. We are, to a large extent, in terms of what we produce, beggars and not choosers.

When this Labour Party came into office in 1976, we found ourselves with a very serious problem, the problem of over-employment. When those in the Democratic Labour Party suddenly found themselves out of ideas, they realized that the only means of satisfying people was to overstock the statutory corporations and Government departments with their friends.

8.55 p.m.

I know of a case of a particular man – this was told to me when I was in the Ministry of Communications and Works – who, after finding himself without a job, made representation to the political directorate of the day and the management forces at M.C.W. were told to put the man back on the payroll; not to put him back to work, but on the payroll. Those were the conditions we found. We found a situation where Parks and Beaches, as it was then known, was terribly over-staffed because we had just fought a by-election in the City of Bridgetown, which the honourable Member for the City won. The person whom she was fighting at the time was the Chairman of the then Parks and Beaches Commission, and a lot of people were put on at the time. Government cannot be run like that forever.

The honourable Member for St. Michael South Central also said that people are dissatisfied and upset over the exposure of delinquent tenants. I am glad that he talked about delinquent tenants, the levies, and the exposure of the people. I am responsible for Housing, and it is my duty to defend that situation. I am not here to tolerate the situation where people seek to expose the private conditions of tenants. But at the same time, if people could live in the housing areas and fail to pay on a continual basis, they have to be levied on.

I have a document in my possession which I am not going to expose. It is not my purpose here to call people's names either or to identify the area from which these people come, but this is a comparatively new area that was developed. Sixty-five tenants owe the corporation \$152 000. Some of them owe \$5 000 and \$6 000, large sums of money like that. I want you to tell me how in the name of goodness can any corporation exist under those circumstances? If Government is carrying the bulk of the burden as far as subsidizing housing is concerned, one would hope that at least the tenant would be willing to pay the element of rent which he is supposed to pay.

No tenant is levied upon unless a social investigation is made on that tenant, and that tenant is written on no fewer than two occasions – as my honourable friend has told me, on occasions four times and followed up to find out if the person was really contacted by the post and what the problems are. Each case is carefully investigated to find out if the person can pay. If we are satisfied that the person cannot pay, representation is made to the Welfare Section of the Government, and then we see what we can do. No inhuman measure is adopted, so I want to disabuse the mind of every person in this country that we adopt an attitude of indifference and have an inhumane approach towards the problems of tenants and levying. That is not true.

On the other hand, people must have their priorities in the right order. You must not have color

television and video tapes and all types of fancy things and not look at one of your first priorities, which is paying your rent. Some of them have telephones – not one but two, and special gadgeted telephones, too. They do not think that they must pay their rent, but they ensure that at the end of the month their telephone and electric bills are paid, because the electricity and telephone will be cut off. If anything, they will hold back the rent and payment of the water bill, because in their view, those two are owned by the Government, and therefore, do not have to be paid.

That attitude to Government must be changed. Government is not an amorphous body. Government is the people, and when you are taking advantage of anything that concerns Government, you are taking advantage of your own self. When you go to a stand-pipe and you wickedly leave the water running and believe that you are hurting the Government, you are hurting yourself, because you are the Government. When you go in the bus and you ride for nothing or you damage the bus, you are damaging yourself because you have to find the money. The money must come from somewhere. We are not like the oil-rich countries, and even they are becoming uneasy about the problems which confront their economies and are being more careful than they used to be in the past. In the past they were extremely careless.

My approach to housing is that Government will create the climate as was proposed in the Budgetary Proposals whereby the private sector will become more involved in even rentals. The Government will pass on a number of incentives. Even in the area of employment, it is my view that Government should phase itself out and create the climate whereby the private sector will be involved and give them the necessary assistance to be able to offer employment, because people will work for the private sector. They are not particularly keen in working for Government.

People will work for Government because there is security in working for Government; they cannot be easily dismissed. As you know, there are certain people who feel that once they are employed by Government, it is difficult to remove them. Sometimes they reach the stage where they are in limbo – they are neither working for this body, for the Government, or the next body – but have the courage to tell you that they are not working for a particular department in Government. That is how people approach their working relationship with Government, so it is always best to have Government phasing itself out as much as possible. There are certain services that Government must, of necessity, carry on, and no one can deny that. But I feel that as far as housing is concerned, based upon my limited experience, Government should do as little as it possibly can in terms of building construction and what have you, while

creating the necessary climate and give the encouragement to people to own homes, which is what I believe the people in Barbados want. The Opposition, especially the principal spokesman for Finance, must understand that Barbados is one of the best housed countries in the whole Caribbean area, and I challenge anybody in this Parliament or any place in Barbados to deny that. The ratio of people to housing unit in Barbados is around 3:6, which is marvellous.

9.05 p.m.

A great proportion of Barbados' housing stock is an aged housing stock, about 35 per cent of your housing stock is of wood and is between 20 and 25 years old, made of soft wood, not the green heart or purple heart which you get from Guyana. I recall very vividly the honourable Member for St. Philip North (Mr. W. O. Franklin) saying some time ago in a debate that we should look at the wood which we bring into Barbados, that if we are bringing in wood at all, we should look at the hard wood, which would give us a better housing stock. The fact that much of our housing stock is of soft wood makes it vulnerable to the type of climate we have, and unless you treat your home often and give it a constant painting job, the wood deteriorates very rapidly.

The Government, in its farsighted wisdom, has decided to so revolutionise the land system in this country by its agrarian reform. That is not a term that only the Communist countries use, but enlightened Socialist Governments use that term as well. When we introduced legislation to free all the lands within the plantation tenancies to the tenants, we were at that point in time — if the honourable Member for St. Michael South Central is not aware — creating the necessary conditions for the take off for an extremely positive approach towards the completion of our building programme. Concomitant with the making the lands in plantation tenancies available, we also sought to reduce the spots that could be protected, under the Protection of Tenants Act, from five to two. And I want to let the public understand tonight that the law which was passed by this Parliament is a valid law and that no owner of a tenantry of two and over can push them off that tenantry. The Government has made all of that possible, and the reason why the Government has done that is because we want to have greater security for the tenants. Many tenants had become fearful about land tenancy and that is why they never sought to do any worthwhile construction on the land.

It is my information that there is only a limited number of people in Barbados today who need to have themselves hooked up to the water mains in this country. Over 80 per cent of all the houses in Barbados are already linked to water, and if people are given security of their land, it is well to believe that all of them would put in water-bourne facilities. Government very early recognised

the need for people to have permanent structures, and in addition to making that land available by way of the Tenantry Freehold Purchase Scheme, and the Security of Tenure Act, the Government started the construction, along with the Government of Trinidad and Tobago, of the cement plant in St. Lucy. With that plant on stream, and with the sand pits in this island, there will be very little material which will be coming from abroad for the construction of houses in Barbados.

It may not be known to many people, but housing in Barbados calls for very little imported material. Your labour cost which takes up a considerable amount of the money which goes into housing, is said to be about 50 per cent to 60 per cent, and the material cost is about 40 per cent to 50 per cent. At one stage labour cost was 30 per cent and material cost was 70 per cent. Then it was 40/60, then it became equalised, and it is thought now that labour is much higher than material. We would hope to see a change made in that situation so that the cost of housing can come down. We feel that with our own materials here in Barbados, and given the necessary goodwill, the cost of housing can come down considerably.

You will note that in the Budgetary Proposals the Minister of Finance has made a lot of stress on the need for having certain duties placed on certain items. For example, plastic pots will be higher taxed in order to give protection to Chalky Mount and to Greenland. I would like to conclude, Mr. Deputy Speaker, by using the words of the Right Honourable Prime Minister. It is important I do this. The Prime Minister said on page 63 of his Budgetary Proposals, and I quote:

"I also propose to increase the tax on plastic flower pots from 10% to 20%. Chalky Mount needs protection and Greenland needs encouragement."

9.15 p.m.

I consider the proposals as presented by the right honourable Prime Minister are proposals which will assist housing in this country and overall redound to the credit of Barbados.

I thank you very much, Mr. Deputy Speaker.

Mr. L. E. SANDIFORD (St. Michael South): Mr. Deputy Speaker, this Honourable Chamber is being asked to debate the 1984 Financial Statement and Budgetary Proposals in the light of the following Resolution moved by the Prime Minister and Minister of Finance and seconded by the Deputy Prime Minister:

WHEREAS the international economic recession has continued to place pressure on the economy of Barbados;

AND WHEREAS the Government has successfully steered the Barbados economy through that pressure during the past year;

AND WHEREAS the Government has embarked on a course of development aimed at improving the quality of life of the people and at stabilising the economy of Barbados;

BE IT RESOLVED that this House takes note of the Financial Statement and Budgetary Proposals presented to the country by the Minister of Finance on 17th April 1984, and endorses the said 1984 Budgetary Proposals.

The terms and drift of this Resolution are so patently self-serving, self-congratulatory and distorted that while under normal circumstances, we on this side would have moved an amendment to that Resolution, in these circumstances, under the constraints that we are operating, we will simply vote against it. We cannot support it.

Mr. DEPUTY SPEAKER: I do not think the honourable Member should be allowed to say that you are operating under constraints. You will obviously have to explain that because this Chair will not place any constraints upon you in your debate in this Chamber.

Mr. L. E. SANDIFORD: No. I did not say that you placed any constraints upon us. The Chair is very liberal, in fact, in the interpretation of the rules of this Chamber.

Mr. Deputy Speaker, there is no doubt that the index of dissatisfaction in this country is running very high among all classes of people. The working classes are at their wits' end to make ends meet as they face the problems of increased prices for food, clothing, shelter and other commodities, and as they face reduced incomes, reduced work-weeks, week on, week off, layoffs, and such matters which affect their income.

The middle classes are in battle, hemmed in on all sides, unable to get the Wilkins - MiCawber equation solved of balancing their own household budgets. Small businessmen are crying out, medium-sized businessmen are crying out and large businessmen are crying out. Tourism is in dire straits. So, too, is manufacturing and agriculture. Never before, in this country, Mr. Deputy Speaker, have we had so many complaints, such a litany of woes, to the extent that we can perhaps quote William Shakespeare when he said: "When these prodigies do so conjointly meet, let not men say these are their reasons, they are natural; for I believe they are potent things unto the climate they point upon."

But before we can point the day forward, we must first understand how it is that we got into this particular situation. Barbados, since the era of World War II, has been transformed by the actions of successive Governments, from a village into a modern country. That pace of development has not been even, and I am certain

that all Members will agree with me when I say that the pace was fastest during the period 1961 - 1976, under the Democratic Labour Party.

A temporary halt came about in that development during the period 1973 to 1975, as a result of the international economic situation, but at that time, the present Government, which was then the Opposition, did not agree that the problems being confronted were due to the international situation. They blamed the Democratic Labour Party Administration for what went wrong, and what they did say was that the Democratic Labour Party had run out of ideas. What they should have said was that the Democratic Labour Party had run into an international economic recession.

What happened was that we had a severe downturn in the international economic environment. Oil prices increased by over 400 per cent. The prices of primary products plummeted. Food prices sky-rocketed and the real interest rates in the international capital markets increased sharply, together with a severe upturn in unemployment.

Faced with these factors, the economy of Barbados had the most torrid time, and we were unable to implement all of the projects during that period of time, 1971-76, that we had planned. However, by 1976, we had so effectively dealt with that particular problem that we left a sound economic inheritance to the Barbados Labour Party, which assumed office in September, 1976. Inflation had dropped some 2.8 per cent. All major sectors were showing growth, with the manufacturing sector up by 18 per cent, construction up by 13 per cent, agriculture up by 6.5 per cent, and the overall GDP showing a growth of 5 per cent. That was the sound economic inheritance that we left to the Barbados Labour Party. 9.25 p.m.

Now what has happened since then? The story is a matter of record. The rate of inflation which was, as I said, at 2.8 per cent in September, 1976, climbed to 8.3 per cent at the end of 1977, 9.5 per cent in 1978, 13.2 per cent in 1979, 14.5 per cent in 1980, 14.6 per cent in 1981. It dropped somewhat to 10.3 per cent in 1982 and to 5.3 per cent provisionally in 1983, but may I point out that that 5.3 per cent in 1983 is roughly the same rate of inflation that the Democratic Labour Party left in 1976. So what is this big thing in this Resolution that we are debating about the economic miracle that has been wrought by the Barbados Labour Party?

If we look also in the area of jobs, another indicator of employment and unemployment, we will see that the Government, by its own admission, has been failing in its efforts to provide jobs for the people of this country. The average annual level of unemploy-

ment has been growing in recent years. In 1981, the annual average level of unemployment was estimated at 10.9 per cent. That figure increased to 13.6 per cent in 1982, and to 15 per cent in 1983. That figure for unemployment in 1983 is roughly the same unemployment figure that the Democratic Labour Party left in 1976. Again, what is this massive miracle that has been wrought by the Barbados Labour Party, and this great stewardship that they have shown?

If we take sugar production as another indicator, one would have thought from all the rhetoric that has been used by the Government that they have been able under their stewardship to ensure that more sugar has been produced during the seven years that they have been in power than in the seven years that the Democratic Labour Party has been in power. According to the statistics, during the years 1977–1983, some 732 000 tonnes of sugar were produced, while during the preceding seven years, from 1970 to 1976, under the Democratic Labour Party 736 000 tonnes of sugar were produced. So more sugar was produced under the Democratic Labour Party than under the Barbados Labour Party, and that in spite of the support programme, in spite of rainfall being on average throughout the whole period, and in spite of the boast that so many thousands of hectares of land have been brought back from being idle into production. So we have got to ask ourselves, what is this big qualitative difference that we are boasting about? The record just does not show it.

I want to refer generally to the question of water. I believe this is the first or second occasion that the Minister of Finance did not mention water rates and refer to me in some particular way, because on this particular occasion it would really be inappropriate, when the Government Information Service, through its programme called "Civic File", has been telling the people that the real problem in the cost of water is the cost of electricity to the Barbados Water Authority. They have said that there is a staggering \$24 110 per day that the Water Authority has to pay to the Light and Power Company. They have said that that works out at \$8.8 million for electricity alone in 1983, and that "the ultimate cost to the nation at 1982 crude oil prices is \$2.7 million in valuable foreign exchange just for pumping water."

The blame for the high cost of electricity certainly cannot be put on the shoulders of the Democratic Labour Party. And the honourable Member for St. Michael South Central, in particular, during the last rate hearing has been in the forefront in trying to get reduced electricity rates for the people of this country; so you cannot blame us for the high electricity rates. I think the blame would have to be placed elsewhere, and the Government may be able to explain that particular matter.

The fact is that we needed a modern water and sewage system, and the Democratic Labour Party worked

out proposals for that. I do not claim any special benefit or any special responsibility for it. Long before I became Minister of Health, that matter was being worked out by the Democratic Labour Party and by the former Minister, Dr. Ramases Caddle. They worked out the details and came to some kind of agreement. I was the Minister when the agreement came up for signature and, with the approval of the Cabinet, I signed that agreement. It was our policy, and there is nothing wrong with that.

We also agreed that there should be a \$300 000 fund set up to provide in-house installations for those persons who, because of income constraints, were unable to make the necessary installations for connection to the sewage system.

There was a change of Government, and since then this matter has been under the control and responsibility of the Government, and the Government agrees with the programme so much — they could have dumped it as they dumped other proposals and other projects left behind — that they are now entering into another agreement for extending the project to the south coast, and are also contemplating the expansion to the west coast.

It is my view that the water rates are too high. The agreement called for a gradual increase in the water rate, but on the four or five occasions that water rates have been increased in this country, the increases have not been gradual — they have been steep increases. And I am fortified in that fact, because in delivering his Financial Statement and Budgetary Proposals yesterday, the Minister of Finance said that he was cancelling his announcement that there would be an increase in water rates for this year. The only basis on which he could do that, I believe, is because the Water Authority has achieved its target well in advance, and it could only achieve that target well in advance because the rates being charged were higher than they should have been.

9.35 p.m.

But I believe that we have got to go farther than that. I am calling for a full-scale study into the charges for electricity to the Barbados Water Authority, as well as to the hotel industry, and to other large users of electricity. I believe that if it is examined and a proper accounting study is done, it will be found that there may be ways in which the whole basis of charging for the utility might be changed.

There is also, as far as the Barbados Water Authority is concerned, the whole concept of break-even analysis. I believe that if we apply the break-even analysis rigorously, using the concept of marginal contribution to sales ratio — in fact, that together with the other matters relating to depreciation and such concepts — we might be able to arrive at a different basis for the charging of water rates.

I am satisfied that the Water Authority is well administered. The Prime Minister is now of that particular view. I believe that a few months ago, he did let loose a broadside against that Authority, but on this particular occasion, he has come back and he has papered it over.

I should like to make, in the remaining minutes that are available to me, a few comments about education, first of all. I must confess, I was a little disappointed in this section of the Financial Statement and Budgetary Proposals. I really do not know where this originated. Normally, the Minister of Finance does not speak very often on education. I was really a little surprised when I heard him going into the area of education. I realized that I did have grounds for being concerned, because when I heard about the development in education and then we arrived at the position that we must now be concerned with the quality and direction, and I looked for the examples of this quality and direction into which the system would go, I must confess that it was somewhat of a let down.

I am certain now that when the Prime Minister and Minister of Finance looks back on it, he would see that this is a fairly empty section. Because when we come to this quality and direction, all we see here is a cash prize of \$10 000 to be awarded to any student who wins a Barbados Scholarship with "As" in English and either History or a language.

If this had come in my time, I would have had \$10 000. The Acting Clerk, I believe, too, would have collected on this, and my friend from Christ Church West.

Let us be serious about this, Mr. Deputy Speaker. Ten thousand dollars! What is this supposed to do? Is this going to direct people into the study of languages? This is really so far beside the point. It has no merit at all in it.

I think it would be better if you want to direct people into studying languages or studying disciplines other than the sciences to indicate that scholarships would be provided for those people who wish to go on to study the subjects. You could award special scholarships or exhibitions in those particular areas. But a \$10 000 award! There is something wrong with this. This is not an educational proposal at all. I would suggest that it is a bit of an insult to the educational system of this country to make any such proposal.

We will welcome the additional assistance given to the private schools. That is something that was, of course, initiated by the Democratic Labour Party Government. We welcome any confirmation, although we believe that the independent schools really need a greater level of assistance than is even indicated in this particular Budget.

There was some reference to tourism. My time is running out and I do not really have time to go into this in any detail, but I note that even though the tourism sector is still in battle, still more burdens are being placed upon them. I think that this is not really the time to be putting more burdens upon the tourist industry that is already in battle. The airport charges can do nothing to lure and attract more tourists to Barbados. If it does anything, it will make the situation worse.

I would suggest that assistance is needed. The hotels are crying out. If the Minister of Finance looks at the Sales Tax that is imposed on the hotels, he may find some areas in which assistance can be offered.

As far as pensions are concerned, this is a matter that, obviously, would have to be considered. I do not know if it is because civil servants are opting to leave early that this particular matter of raising the retiring age has been examined. But I should like to hear some more about that. If civil servants are leaving early, why is it that they are leaving early?

Finally, I want to look generally at the economy. It appears to us that inflation is still being treated as the number one problem, even though, by the admission of the Minister of Finance, inflation has been brought under control. By his admission, unemployment is not under control. I am wondering if unemployment should not be the area on which this Budget should have been focussing. But when we look at those areas, there is nothing at all in the Budget which would, in the modern phraseology, address this particular problem.

I have looked at the preparation of the Financial Statement and Budgetary Proposals very closely. "Now is the time to start" it said. Well, I have started. I do not know started to do what, started to go where, started to prepare for what? All of these are questions that we may very well ask.
9.45 p.m.

What I do know is that I have reviewed previous Financial Statements and Budgetary Proposals. On this particular occasion the Minister of Finance did deliver his Budget and his Statement with impeccable intonation; it was well presented. But I note a similarity in the preparation of the 1981 Budget. What that foretells, it is not for me to say. All I will say, in conclusion, is that the Democratic Labour Party has also started, and wherever and whenever any signs are given, we will be prepared and ready.

I repeat that we cannot support this Resolution. We are going to vote against it.

Mr. DEPUTY SPEAKER: The honourable Member for St. Michael Central.

Mr. A. TRUSS: Thank you Mr. Deputy Speaker.

I really would like to address myself to the comments made by the honourable Member for St. Michael South Central. It is not very difficult in a half hour to deal with the speech which he made in two and a half hours. When I was a youngster playing in a group, we had a motto that if you could not play good, that you must play loud. I have discovered that what the honourable Member for St. Michael South Central lacks in quality, he makes up in quantity. So it will only take me seven or eight minutes to deal with his two and half hours, which will leave me some time to deal with the last Member who just sat down and others.

I will take on the honourable Member for St. Michael South first. I do not know from which document he was quoting, but this document from which I will be quoting is already a document of the House. It is the Economic Report of 1976, and reflects the year 1975-76, when the Democratic Labour Party was in power.

The honourable Member for St. Michael South made a very big point about what was the fuss about members on this side trying to make some comparisons between the time we have been in power and the time the Democratic Labour Party was in power. In the Summary, of the Report, it says that the rate of increase in domestic prices in 1976, as measured by the index of retail prices, was 5% compared with 23.3% in 1975. It goes on to say that data derived through the continuous Household Sample Survey suggests that the unemployment rate fell from 22.5% at the end of 1975 to a little over 15% at the end of 1976. I do not know from which document he was quoting, but when we say that unemployment was 22½% in 1975, we say so based on an analysis which the Democratic Labour Party Government undertook.

When you read the newspapers that the President of the Barbados Manufacturing Association is saying that unemployment today is higher than it has ever been before, it proves that he is ignorant of what was going on prior to 1976. It proves that he is political. If he should direct himself to the job to which he was elected and stay out of politics, I think he will do himself and the country a good service.

Sir, in the same Economic Report — it does not have a page number — it says that:

"Between 1974 and 1976 the Gross Domestic Product per capita increased in nominal terms from \$2 418 to \$2 728, an increase of 12.8%. Since the average rate of inflation as measured by the index of retail prices between 1974 and 1976 was around 21%, it is evident that real income per capita fell significantly between 1974 and 1976."

In 1983, last year, the per capita income of Barbadians was \$7 587 as compared with \$2 418 in 1976 when we came into power.

The honourable Member for St. Michael South knows only too well that there is a direct relationship between unemployment and foreign reserves. When one talks about reducing unemployment or creating employment, you cannot say that and deal with it in isolation. The honourable Member for St. Michael South claims to be an Island Scholar. He knows only too well that in a small developing society such as Barbados, when one has to protect small services, there is a direct connection to unemployment. If you spend more money, if the Government puts more money into the economy by way of capital projects, it generates employment. By the same token, you reduce your foreign reserves because of the goods and services which you have to import to generate employment. So you have the choice. You protect your foreign reserves at the expense of unemployment, or you reduce your unemployment at the expense of your foreign reserves.

We have seen that Jamaica, as of 1982, had no foreign reserves at all. They are still in trouble. We have seen Guyana go bankrupt. So we are aware only too well of the dangers of falling into the trap of not having sufficient foreign reserves. The rule of thumb is that if a country has three months foreign reserves, then that country is doing very well. The Prime Minister stated yesterday in his Budgetary Proposals that our foreign reserves were approximately in the region of \$230 million, sufficient for 10½ weeks as far as Barbadian imports of goods and services are concerned.

I want to deal with the honourable Member for St. Michael South Central. He is indeed a preacher of doom and gloom, to coin a phrase used by the Deputy Prime Minister. In 1981, he ran about this country preaching about devaluation, frightening the people of Barbados that we were going to devalue the dollar. It has not happened yet, and this is 1984. In 1982, in the House of Assembly, he talked about the printing of money and bunching of capital projects. Where was he when the Democratic Labour Party was printing money in 1974 and 1975? He always tries to give the wrong impression. It is a matter of record. He, the Member for St. Michael South Central, said at Halls Road, St. Michael, on Sunday, July 13, 1980 at 7.30 p.m. that the honourable Member for St. Thomas knows only too well that in politics the truth does not matter; facts do not matter, but impressions matter. In this House of Assembly, I beg to differ. The people of Barbados beg to differ with the honourable Member for St. Michael South Central. Facts are all that are important. Truth is important. Impressions are irrelevant as far as we are concerned.

In 1982, he preached about the IMF, the big shark at the door steps of this small island ready to eat us up, when it was the Democratic Labour Party that joined the IMF in 1970.

When he talked about us borrowing money, it simply shows that the honourable Member for St. Michael South Central is not fully aware of the facts, because no one borrows money from the IMF. The IMF is a technical institution and at no time does a member of that institution actually borrow money. It is a popular misconception, and it distorts the understanding of the Fund and its mechanisms. The IMF allows the exchange of currencies so countries that have a balance of payments problem can exchange their own currency for the needed foreign currency required, and these transactions are reversible. When the country's balance of payments position is improved, the currencies are exchanged and the member's credit position within the Fund is restored. It is basically as simple as that.

9.55 p.m.

One would get the impression from the honourable Member for St. Michael South Central that impressions are all that are important. It reminds me of Proverbs 12:19, which says: "The lip of truth shall be established for ever: but a lying tongue is but for a moment." Let me further tell the honourable Member for St. Michael South Central this, Proverbs 11:27 says: "He that diligently seeketh good procureth favour: but he that seeketh mischief, it shall come unto him."

I am not saying that the honourable Member for St. Michael South Central is misleading the House, but I have a sneaky suspicion that he knows better, and that when he makes a grand stand from time to time he can give you the wrong impression.

In 1984, it was not too difficult to anticipate what he would come with. He just went crazy, he went mad. He closed his eyes as if he was in a cricket match, and he slugged and he swiped at everything that the Right Honourable Prime Minister introduced in his Budgetary Proposals.

The honourable Member for St. Michael South Central said that Barbadians have no confidence in the political directorate, that the people are worried and concerned because the sugar industry is bankrupt, tourism is dying, CARICOM is not working, prices are rising, and there is starvation among the unemployed, and the children of the unemployed. The emphasis was on starvation. He also said unemployment is higher now than it ever was before in the history of Barbados, the cost of public utilities is unchecked and there is an erosion of profits in the business sector. He was concerned about the survival of small shopkeepers and small manufacturers. He touched on practically every aspect of Barbadian life. It was as though there was no Government at all and the country's affairs were just left to be run by a bunch of nitwits.

He failed to recognise that the people on this side, led by the Right Honourable Member for St. Thomas, were elected to rule in June 1981, and rule we shall; with or without his approval. It is the approval of the people that we are interested in. What we are more concerned about is constructive criticism, if any, but in all his ramblings for two and a half hours, in which he talked about inadequate housing, the unavailability of mortgage money, high interest rates, the difficulties in the education process; all these things which we all on this side know, they all know, indeed the country at large is aware of the problems that we are faced with today, the honourable Member for St. Michael South Central has not come up with any concrete and sensible solutions to the problems which he has highlighted.

Sir, small manufacturing and small business. He behaved as though we are doing nothing for them, but if he would read the Economic Report on page 41 he would see there:

"The dollar value of loans lent by the Barbados Development Bank to the Small Manufacturing Sector increased by 47.6% from \$455 200 in 1982 to \$671 897 in 1983. The number of loans increased from 13 to 31."

"The dollar value of loans to the Small Business Sector increased by 70.4% to \$5.05 million during 1983 while the number of loans increased by 30% from 98 to 127. The number of jobs created increased from 132 to 173."

The honourable Member for St. Michael South Central is aware of this. He read the report, but he comes in here and makes the charge that we on this side have done nothing for small business, that we are insensitive to what is happening in the country. Only they on that side know exactly what is going on and what is happening.

In his usual style, he said the debt service ratio is too high. He spoke about the foreign debt, the local debt — that is all I have been hearing for four years. The rule of thumb is that any country that can service its foreign debt with 18% of the value of its exports is doing well. Today in Barbados our debt service ratio is 7.8% of the value of our exports, which is \$99 million and not the \$106 million he stated. If he is going to quote figures he must quote them correctly. He is the shadow Minister of Finance, but if he is going to shadow the Minister of Finance he had better shadow him carefully and get his facts correct, because I am going to shadow him. That is why my colleague says he is the shadow Minister of FINE A-N-T-S, not Finance.

He talked about inflation. People who live in glass houses should never throw stones. The cumulative

total of inflation between 1971 and 1976, the last period the Democratic Labour Party was in power, was 122% and the cumulative wages totalled 47%. Inflation ran at 122% and wages struggled behind at 47%. Between 1976 and 1981 when we governed, cumulative inflation was 42% and cumulative wages 85%, a complete turn around between inflation and wages.

When you talk about inflation, it is only fair that you should talk about wages as well, but the honourable Member for St. Michael South Central has a way of putting a case that is representative of one side without giving the other side of the coin. That is why we are here.

When we talked about the starvation of unemployed persons and their children, one really has to sit back and ask, is this the Barbados that we are living in? What are the social indicators? How does one determine when a country is doing good or doing bad?

It is accepted internationally that there are certain leading social indicators that will determine whether or not a country is doing well or doing badly, whether that country can be classified as a developed country, a developing country or an under-developed country. For example, the population per doctor, the population per dentist, electricity consumption and the number of telephones are what are known as leading social indicators.

In 1970, the population per doctor was 1900. By 1984 that was reduced to 1300. The population per dentist in 1970 was 18 300 and by 1984 it had dropped to approximately 13 700. In 1970, electricity consumption per capita, that is per thousand Kw., the average Barbadian used 540,000 Kw. By 1984, it had gone up to 1200. Telephones per thousand of population in 1970 were 120. By 1984 they had gone to 240. Access to electricity as a percentage of dwellings, in 1970, 59% of all households had electricity. Today 97% of all households have electricity. Dwellings with piped water in 1970 were 40%. Today, 95% of all dwelling houses have piped water.
10.05 p.m.

If I can tell you that these things are happening in Barbados, if you are going to treat this Honourable House with any respect at all, if you are going to accept that we claim to have the highest literacy rate in the world, then you must not come in here and make any grand statements to the Press that we are starving. You are pulling down the country. We are not starving.

I am not saying that all is well in this Garden of Eden, but I daresay that when you compare Barbados with any country in the Caribbean, with any country in South or Central America, with the exception of Trinidad and Tobago, we stand out. The per capita income in

Barbados is the second highest in the region, but we hear that we are starving people!

Savings, Sir, another indication. In 1976, the total domestic savings — I am not dealing with big business — was about \$40 million. At the end of last year, domestic savings totalled \$400 million, ten times as much. Poor, starving Bajans? Can you imagine that, Mr. Deputy Speaker? But the honourable Member for St. Michael South Central will insult our intelligence by telling us that Barbadians are starving.

Then he talks, in the same breath, about corruption and gambling. They do not have a good record. When we came into power, the one-armed bandits were here, the slot machines, call them whatever you like, and they operated in a building owned by the honourable Member for St. Michael South Central.

He has since declared that he was unaware that the people were using his premises for that purpose, and he threw them out. I accept that. The point is that he was aware then that they were there. Why did he not get up and say to his party that, on moral principle, he could not accept going into a General Election, the slot machines being there; that they must be removed before he faced the people of Barbados.

We went through the election and we came in and found them there illegally. We legalised them and made some money out of them. It is as simple and straightforward as that, but you hear time and time again that we are involved in this gambling.

Sir, the Hospital Sweepstakes. I would like the cameras to focus on this. I kept it for many many years. When we came into power, they had this. The back of it says:

"West Indies Hospital Sweepstakes offering prizes of \$275 000. The proceeds received by the West Indies Hospital Fund Limited will be divided into units of U.S. \$1 million funds to be distributed as follows — \$275 000 to prize winners, 20 per cent to the Government of Barbados for hospitals and other welfare services and the balance to the West Indies Hospital Fund Limited for expenses."

The Government of Barbados never got one cent.

Mr. DEPUTY SPEAKER: Does the honourable Member intend to make that a document of the House?

Mr. A. TRUSS: Provided I get it back to use on another occasion, I will definitely make it a document of the House.

This had a P.O. Box No. 3909, in Fontabelle. There was never a P.O. Box 3909 in Fontabelle, and the people

who played it saw places and names of States like Arkansas, New York and Michigan, but they never told you the name of the person or how much they won. I know one thing. The Government of Barbados never received one single cent, but the first prize was won by many a Barbadian that was running it.

I would like to know how a man who can cut hair in Spry Street for twenty-five cents can become a millionaire? The Democratic Labour Party would know about that.

I do not think that it is right for us to have to get in here and deal with this, but it was raised; and in as much as it was raised by that side, I figure that people who live in glass houses should never throw stones. We found it here and we legalised it.

He talked about casinos. They produced the betting pools. I do not know about the casinos. I am a member of the back bench. I do not know what is going on as far as the front bench is concerned. I can say that I do not know if there is a Bill to come or not. I will reserve my decision to speak if such a Bill does come or if such a Bill is contemplated. The point is that it is not proper for the honourable Member for St. Michael South Central to come in here and cast aspersions on the character of the Government and on members on this side by talking about corruption, when they have skeletons in their own closets.

When the Democratic Labour Party was so concerned, as expressed by the honourable Member for St. Michael South Central, about small shops, they failed to realise that it was they, under their regime in 1976, when the honourable Member for St. Michael West (Mr. B. M. Taitt) was Minister of Trade, who shut down 400 small shops. They shut them down, lost the Government and come back now to preach to us about small business, the small man and small shops! That is hypocrisy of the highest order!

Price controls. They had 26 price controls on corned beef and the price of corned beef has not yet changed since 1976. We did away with all of that.

Licences. They had a situation from January to September, 1976, where the Minister of Trade used to sit down in his office and go through licences. Between January and September of 1976, according to my record, 9 226 licences were applied for, 44 were denied. A big Minister of Government sits down behind a desk, goes through 9 226 licences and turns down 44! Beef — 752 licences were applied for, none were refused. Salt beef and pork — 435 were applied for, none were refused. It was a waste of time.

They have the audacity to call on this Government in the Press and on the floor of this House to say that

all those persons who earn \$12 000 a year or less should not pay Income Tax. When the Democratic Labour Party was in power and you earned up to \$25 a week, you paid Income Tax. Today, you do not pay Income Tax until you earn \$125 a week, and they have the audacity to come in here and tell us that it should be up to \$1 200.

When they were in power, they should have done it, but the poor person paid tax on \$25 a week. The Barbados Labour Party removed that. The old age pensioners used to get \$8 a week. Today they are getting \$40 a week. It is very easy for them to say pay them \$60 or \$80.

Let us put the record straight. The honourable Member for St. Michael South Central said that the bus fare was increased from twenty-five cents to seventy-five cents. I cannot say he is a liar, but I can say he is guilty of a terminological inexactitude, because just before the elections of 1976, bus fares were sixty-five cents. The Democratic Labour Party took a political decision to reduce it to twenty-five cents. But if you take the sixty-five cents, which was the fare on the eve of the General Election of 1976, and, today, eight years later the seventy-five cents, the real increase is ten cents.
10.15 p.m.

They talk about an energy policy. Before Senator Griffith, the Honourable Minister responsible for Energy, and the foundation laid by the Deputy Prime Minister when he held the portfolio of Energy, there was no policy. In 1981, and I will show you the significance of an energy policy, Barbados spent \$92.6 million on imported oil.

MR. DEPUTY SPEAKER: It is now 10.15 p.m., and the honourable Member has utilised his half an hour.

MR. A. TRUSS: Can I have two minutes to wind up, Sir?

MR. DEPUTY SPEAKER: The honourable member has utilised his half an hour.

MR. A. TRUSS: Finally, Sir, the production of our oil has increased so much that we have been able to reduce our oil import bill from \$92.6 million in 1981 to \$56 million in 1983, and increased our production of oil from 300 barrels in 1976 to 1,600 barrels per day in 1983.

Thank you very much, Sir. I would like to associate with this Government on this resolution.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Deputy Speaker, I beg to move that this Sitting be now suspended until tomorrow Thursday, 19th April, 1984, at 10 a.m.

I am looking forward to hearing some very outstanding speeches on this side as were heard already this evening in here. Believe me, that last speech really hurt. I would like to congratulate my colleague publicly.

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.

10.20 p.m.

RESUMPTION

Mr. DEPUTY SPEAKER: This sitting is now resumed.

The Honourable Member for St. Michael North West catches my eye.

Mr. L. A. WEEKES: Mr. Deputy Speaker, it is not customary for me to be caught in the arguments by other speakers, but I am somewhat diverted by a few of the comments made by the last honourable Member who spoke in this debate. He has always had a great liking for statistics and figures. In my view, sometimes they are merely academic. What is the point of having unprecedented deposits in the bank and large numbers of people being turned away daily without receiving any assistance from those banks? Certainly, it tends to defeat the very purpose of savings and assisting the very people who need that assistance. I believe that some adjustment would have to be made to relieve that condition. If we fail and in the end we have a severe shortage of homes, how successful have we been?

I believe the honourable Member made the point that we in Barbados have one of the highest per-capita incomes, not only in the Caribbean but also among Third World countries. But never before, with that performance, has one seen such a large number of workers having their basic utilities, electricity, water and telephone, so frequently disconnected. Some are unable to pay their rents; some are evicted and some are on the verge of being evicted; and, added to that, the jobless among the youth continue to swell the unemployment list.

All the achievements in statistics he spoke about have proved to be fruitless, since they have caused no progress in the lives of many. And the honourable Member has failed to establish that the Budgetary Proposals laid in this Chamber will correct that situation. If you perceive, like myself, that a Budget is a means to bring some measure of relief or assistance, and at the same time propel the country along, I am of the opinion that the Budget delivered a few days ago has fallen short. It is difficult for me to understand how persons earning \$120

to \$150 per week, far less domestics, whose legislative salaries are \$65 per week, can meet their day to day commitments. In these circumstances, we see the inefficiency of the Budget. I would prefer to see a Budget that would go further in relieving some of the difficulties that these lowly paid workers endure.

One of the important features of the Budget has been the National Health Service. In some ways, the total medical service will be involved in this exercise. I am not very concerned about the doctors' position, or for that matter how much we are going to pay them, because we all believe that higher servants should be paid duly for their services. I am fairly concerned about the cost factor that will be involved in such a service. The real problem, as I see it, with the introduction of the National Health Service will obviously be the transition period from the old system to the new one, and I am wondering what kind of preparation we are undertaking to ensure that this service, with the amount of financial input necessary will provide this country with the best medical facilities we can afford.

I think that there must be a massive educational programme to bring those people who have been accustomed to home habits and practices gradually into line to utilize the service to its maximum. I think we should urgently address ourselves to that. But having made that point, the service also requires the goodwill of all.

I want to state the position of the Democratic Labour Party in respect of health in this country. The Democratic Labour Party commits itself to the objects that will ensure that all Barbadians have the right to enjoy the highest obtainable standards of health, so that they may lead socially and economically productive lives. That being our stand, our performance in providing services in this country stands out like a beacon. Having initiated into this country the Queen Elizabeth Hospital, a hospital with an outstanding reputation, although at times, through lack of vision, we have allowed certain areas to become a problem for us, such as the Casualty, we have upgraded many of the older infirmaries and brought them into the Health Service as proper and well-equipped places to serve those who were unable to pay for their health services. We have expanded the out-patients clinics, clinics which in a way have been the forerunner of any new service or development in the delivery of health care. Those out-patients, to a large extent, should be used as a means of gathering experience as to how to treat the very people talked about in the Budget, those 65 years and older, that they may feel within themselves that the change is worthy and not detrimental to their health.

We were the initiators of the polyclinics, which were originally called the multi-purpose clinics. Those multi-purpose clinics were nearer to the concept, as I

understood it, and I saw them function in an area that was so necessary, relieving some of the problems at the Queen Elizabeth Hospital.

In some of the polyclinics, doctors are more readily available at a cheaper cost, probably because the new National Health Service provide them. They had the real walk-in clinics where people took advantage and opportunity to seek better health primary care and I am very proud that the Government has seen the wisdom in accepting that as the first step towards primary health care. But I sometimes feel that they were lost as to the purpose for which these multi-purpose or poly-clinics were designed.

Added to that, we provided the personnel training that was so necessary for a productive system such as this. So, as the Democratic Labour Party saw it, we were well placed for future developments.
10.15 a.m.

As I said before, our main concern would lie in the cost factor. I have time and time again said that delay, which is time, means cost, and ever since 1976, having made the promise that you would deliver a service free, as it was to be called, in 1984 we are barely marking time. The Government has had the benefit of a report, the terms and conditions of which, as I read the Budget, almost match word for word, and this report was made in 1979. What was wrong with the Government, which said it had the conviction to do things, after having been given a comprehensive report some four or five years after to accept the very terms that should have been implemented before?

The very report states that had they implemented the service in 1980, phase two of which we are hearing so much about either in January or April or July of that year, the total cost for that National Health Service would have been \$7.89 million. That would have been the cost had you not delayed the implementation of phase two. Today, I am not even sure that we are going to see it being implemented this year or next year.

My doubt stems from the fact that in the 1983 Budget, when the Honourable Prime Minister increased the Health Levy by one per cent, hoping to raise some \$8 million in one year, he gave the assurance that by the end of that year we would have been seeing the second phase of this programme. Noticeable in the Budget this year, no time is given. We are left with the understanding that so far you have achieved the ability to have confrontation with the doctors, who have at all times shown their willingness to participate in this service. They, too, made an input to the implementation of this service. So we are not sure whether we are going to have it this year or next year.

That same structure as set out in that report would have cost \$5.892 million for the whole population of Barbados. We are now confronted with a tenth of that population, 26 000 old people, at a cost of \$3.9 million;

more than half of what the original cost would have been. That is the price we pay for delay. We have had three or four Ministers of Health in the interim, and one would have thought at least one of them would have had that courage to pursue this course. So a tenth of the population is now to be served for \$3.9 million. As the Budget indicated, the whole programme will now cost \$21.4 million annually. That is a considerable estimate.

The service will grow. If I want to be ridiculous I could possibly have said that if a tenth is \$3.9 million, all I need to do is multiply that figure by ten and you would get nearly \$40 million. But, Mr. Deputy Speaker, that is the worrying point. It will not be static. That will increase from year to year. Also, the \$8 million that you are going to collect each year is only a little more than a third of the total \$21 million. May I ask if we are only collecting \$8 million annually from the Health Levy, where is the remainder going to come from? Is it that we are going to tax the people some more? Or is it that you are providing another means that will not burden the very people who you are trying to give a free service, and that, as a result, proves the point that you really never meant a free service? I have heard that remark made, not from this side, that it was never intended to be a real free service. Now the answers are coming out. We are being provided with it free in words, but we are paying for it in cash.

That is only one aspect of the National Health Service. I have not even gone down the line. The services involved in this National Health Service will also take into consideration laboratory tests. You may also require hospitalisation at another level, and the cost of those services has also been increasing, and unless the Government provides a duty free system where all drugs pertaining to the National Health Service are available, I can assure you that the materials and the medicals used will also bear some increase through Stamp Duty or consumption taxes as they are imposed from year to year. That is only phase two that I have mentioned.

People do not get well by going to see a doctor. The doctor diagnoses and he prescribes, and you have set up your Drug Service with the understanding that it would reduce the cost to medicare. Let me give you some idea as to how the drugs vary from year to year, and there are no cheap drugs really. Ninety tablets cost \$253. Let us assume that that particular drug was necessary in view of some unusual epidemic or something like that. Do you understand the cost for the whole population?

The point I am making is, do not disillusion yourself that because you have a drug formulary that the drugs automatically become cheap. I could go through this whole formulary and show you that — I will not make the comparison because a lot of things have happened in terms of cost since then — it is expensive to be treated medically nowadays. So we must not try to con-

vince ourselves that a national formulary would be the answer.

10.25 a.m.

In the U.K., only this year they have been having a drug problem, and it is all because of this generic drug business. In a way, we have a bit of control here, because most of the drugs are subject to the scrutiny of a Board. But there is still, as I have heard from some of the commission agents, a tendency towards monopoly; and when you have this tendency towards monopoly, the danger is there, because you are going to make sure that you maintain that monopoly by virtue of being able to produce cheaper drugs.

Let me explain. The base used in some drugs is detrimental to some people, even though the active ingredient is there. These generic drugs are likely to be in a particular mould like that, and while a patient may be believing that he is getting the adequate medication, he may also be getting an additional complication. That is what is happening in Britain.

Not only that. Within the last two or three years, in the National Health Service, the cost for prescriptions of drugs has probably increased four or five times. Therefore, I warn you that the National Health Service will not be as simple as you think for implementation. It calls for a lot of vigilance, and it calls for the goodwill from all those concerned.

I implore the Government — if you are not ready, stop collecting the Health Levy. It is an unfair levy in that sense. You have done it for two or three years and we hardly have a proper Drug Service, and no Phase 2 at all. It is not fair in these times and circumstances to extract those additional funds which you have not been replacing to the advantage and the use of those people who contribute to it.

The whole programme itself, in my view, will take a very long time before you are able to receive the kind of benefits that you expect to get from it. Cost has been and will be your problem. What about your other personnel?

The Democratic Labour Party perhaps might have implemented a more graded and suitable system in keeping with the financial resources of this country. We in the Democratic Labour Party will have to seriously look at how to encourage this service, to develop it; and if, and when, the electorate of this country so decides that we should have a hand at the wheel again, we will have to cut and tear the service to suit our needs.

I am spending most of my time on the National Health Service because it appears to me to be the only proposal of substance and purpose. As I said, the other services would be involved. You need public health people and you also need general nurses as well. If you continue the policy of frustrating your nursing profession, when the time comes, you will find difficulty in supplying the

staff. Many nurses have been moving away from the Queen Elizabeth Hospital, because they are not happy to be in an acting position year in and year out, and other Caribbean countries are taking up the services which we are not trying to safeguard.

I shall implore the Government that this question of restraint cannot be applied to a vital area as Health. I heard the Honourable Prime Minister say in gleeful terms that he has been able to reduce expenditure by \$4 million. I can only assume that the problem we had a few weeks ago with the Aedes Egypti personnel and staff may have very well occurred because you are too rigid on your restraint. If funds were there, we would not have had the embarrassment, and most likely, the collapse of a very important service in this country. I need not remind you of the importance of a healthy Barbados to tourism, and you ought not to allow your services to be run into a position where a vital area like that was subjected to one of the most embarrassing situations that you had.

I would like to say a word on the Psychiatric Hospital.

Mr. DEPUTY SPEAKER: The honourable Member has just one minute to say that word.

Mr. L. A. WEEKES: A few months ago, we had a lot of problems at the Psychiatric Hospital. The problems are still there. I do not know if the Government is serious about remedying those problems, but it is ridiculous that the nursing staff still find difficulty in having proper rest room facilities. There is also the question of short staff; one or two nurses to about 30 or 40 people.

Mr. Deputy Speaker, I can only hope that the Budgetary Proposals would reach out in some way in solving these problems.

Mr. L. L. SISNETT (St. Michael North East): Already this morning, Mr. Deputy Speaker, we have again witnessed the lamentation and miseries of the Democratic Labour Party. They began yesterday when the Shadow Minister of Finance, in two and a half hours, poured out to the nation what he considered to be the woes of the Barbados economy under the present regime, the Barbados Labour Party.

10.35 a.m.

People in this country have been subjected to a speech without any thought whatsoever to the economic realities that currently permeate the society. What they heard from the honourable Member for St. Michael South Central was that Barbadians have no confidence in the political directorate. He said that the people in Barbados are worried and that they are concerned that the sugar industry is bankrupt, CARICOM is not working, tourism is dead, prices are rising, the unemployed are starving and unemployment is now higher than in 1976.

He spoke of the cost of public utilities. He also continued to impress the country, in his own inimitable style, about the erosion of profits in the business sector.

He said private transportation is in need of help and he even touched on the journalists. He said the journalists are deeply upset about what is happening. He mentioned housing and said that housing is inadequate. He spoke of the unavailability of mortgage funds; too high interest rates, he said, existed in Barbados. He said that the education of children is presently worrying adults.

He spoke about gambling, about casinos. He spoke about the erosion of every single public institution, the high foreign and local debt. He talked about the corruption in Government. He made a call for persons earning up to \$12 000 annually to be tax free. He criticised the new Education Bill and significantly enough, his party had supported that Bill. He even challenged the current energy policy of the Barbados Labour Party.

In short, the spokesman for financial matters on the other side criticised everything in Barbados, but what is of significance is that he offered no solution to these problems.

I want to speak today about the management and the leadership of this country. The Barbados Labour Party Government is now in its second term. The forefather of this party, the late Sir Grantley Adams, laid the foundation for what all Barbadians are enjoying today, and that is an indisputable fact that we have got to appreciate. What we are currently enjoying was started by the Barbados Labour Party under the leadership of the late Sir Grantley Adams. It just did not begin in 1961, as some of our historians are prone to make the people of this country believe under the Democratic Labour Party. What is missing is a vital link, a connecting link between two sessions, 1956 to 1961 session and 1976 to the current session of the Barbados Labour Party.

The Democratic Labour Party found when they took office in 1961, the roads laid and paved with gold for launching any massive programme, and based upon what the Labour Party had originally left for them, today the Labour Party is continuing that programme which they picked up in 1976. The management of this country fell into the hands of the honourable Member for St. Thomas (Rt. Hon. J. M. G. M. Adams), and he had with him a very young team of Cabinet Ministers who set about to reconstruct this country, and reconstruct Barbados they have in the short period until today. The management of this party undertook a massive programme to bring Barbados into the limelight as one of the most developed Third World countries. It was achieved at a point in time when other colonies which were more buoyant than Barbados suffered tremendously under the international economic constraints which were brought about by the energy crisis of the mid and late 1970s.

When we look at the transformation which has taken place in this country, we have got to give praise where it should duly be given. When we think of the

monies which were spent on road management at Oistins, when we think of the monies which were spent at St. Barnabas to make that forgotten part of Barbados a new vista and a new access to the mainland of this country, and when we think of the planning that has gone into it to make it what it is today, we must again reflect on that team of Cabinet Ministers serving from 1976 to 1981 led by the Prime Minister.

Barbados has moved very rapidly over the past years with very limited finances indeed. The economy of Barbados, based on sugar and light manufacturing, is quite unlike that of some of our CARICOM partners, which have an over-abundance of natural resources such as oil, gold and other agricultural-based products. Trinidad and Tobago, perhaps, is the envy of the Caribbean because of its vast oil resources, but if one were to quickly make an assessment of the two countries, without trying to belittle the management capability of that country, one would see that Barbados has managed its affairs quite well with its one crop economy of sugar.

When we think of the problems with which Guyana is currently faced, when we think of the vast resources which that country has — bauxite, the vast amount of timber, rice, and gold that is fetching so high a price on the international market — it is nothing short of a miracle that Barbados has been able to make such an impression in the world among the more affluent countries, particularly the Third World countries, and maintain an image, a high place of recognition in any forum of the world. This again speaks of the management and leadership of this party.

10.45 a.m.

Very shortly, Barbadians will be enjoying the fruits of their labour when the cement plant goes into operation. It just did not happen overnight. It is more than a concept of a plant; it is the fulfillment of many long hours of planning, tedious hours of work. The implementation of the project which was criticised by the Opposition, as going to be another white elephant, but Barbadians will be very shortly seeing the culmination of another dream of the Barbados Labour Party. That dream could only come true because of the foresight and management structure of the Barbados Labour Party.

Trinidad is expanding its cement plant to a tune of \$38 million, and they are having great problems and enormous difficulties in bringing that expansion to any sensible conclusion. Barbados can be justifiably proud of having executed that project, and we should all be over-anxious to make it a success.

How can the Democratic Labour Party question the leadership of the Barbados Labour Party in times like this when other countries, with more resources, are not doing as well as they should? The Government should be

applauded for the Budget presented by the Prime Minister this week. I think every Barbadian can feel very justified in having that carefully thoughtout Budget presented to the country. It has been said in the Economic Report that the United States and West Germany are among the countries which are feeling the immediate effects of the rebound of the international recession. They are the countries who are immediately coming out of the recession and it seems to me that Barbados, even though it has not been mentioned, could associate itself and look forward quite shortly to a resurgence and indeed a buoyance of its economy – again due to the top management of this Administration.

The shadow Minister of Finance spoke yesterday on what he called a people's Budget. I am amazed that he wants to associate himself now with what he is calling a people's Budget. What does he really know about a people's reply? October last year was a clear indication of a time when the Caribbean needed a people's reply. The Democratic Labour Party did not see it fit to support the Barbados Labour Party in those hours when total Caribbean cohesion, unity, and democracy were threatened by the sad state of affairs that existed in Grenada. There was a helpless people, people in need of a friend, people in need of someone to save them, of a country or countries to come to their rescue. There was no Democratic Labour Party Opposition to be found. When the brothers and sisters of Grenada cried out for help, again it was the management of the Barbados Labour Party that took the initiative and salvaged the democracy of the Caribbean from the Socialists. It was only after that, when all the fears and deaths had been accounted for, that the Opposition wanted to associate itself in some very indiscreet way with the people's problem. It was a people's reply – all Barbados came behind and supported the initiative taken by the Barbados Labour Party, at that point in time.

The people of Barbados understand much more than the Opposition spokesman on Finance. They understand much more about the problems which the country is having. We realize that we are just a miniature part of a very vast world. We do not have the natural resources to do the things that they want. But we think that they understand that they are benefitting, to a large extent, in having a fair share of the international cake. That, again, is only possible by good management.

The Opposition is claiming that they want to disassociate themselves from the International Monetary Fund. The shadow spokesman on Finance said that when they again hold power in this country, they will not in any way deal with the International Monetary Fund. Is it not ironic that the same persons who are now refusing to associate themselves with the International Monetary Fund are the same persons who joined Barbados to the IMF?

Reading from one of the IMF reports of 1982, on page 2, it says:

"Barbados has been availing itself of Article 14 since joining the International Monetary Fund in 1970."

The Labour Party certainly was not in power in 1970. How can they now want to disassociate themselves from the IMF after Barbados took advantage of its facilities, after Barbados utilized what they were paying for?

Now we have passed all the tests. There is no need again for us in the near future to want to utilize those facilities. We have passed with flying colours.

The impression was given throughout the world that the IMF was some clandestine organization and that no reputable country should want to associate itself with it. Brazil, Mexico, Venezuela, and the United States, some 150 countries are members of the IMF. Why not little Barbados? Since Barbados became a member in 1970 under the Democratic Labour Party, what are they shouting about? What was the reason for joining?

That report says that the Barbados economy performed well during the second half of the 1970s. The growth rate averaged 5 per cent a year, led by rapid increases in export of manufactured goods and tourist services. By 1981, unemployment, which had risen to over 20 per cent of the labour force during the 1975 recession, had fallen below 11 per cent. Would that have been possible without skilful, thoughtful and careful planning of the economy of Barbados?
10.55 a.m.

We in the Barbados Labour Party have nothing to be ashamed of. The people of Barbados must expect some dislocation at some times. We cannot aspire to have all the services we need at one time, we cannot have all the tenantry roads fixed at the same time. We have created new vistas for the people of Barbados such as the Spring Garden Road. How much is it understood that that is a saving to motorists in terms of petrol? It takes at least twenty minutes less to drive into the City on the Spring Garden Road than it would take using Black Rock or other areas in that region. That is a saving. That was barren land, that was forgotten land, scrub land that the Barbados Labour Party had a vision to make into one of the major highways in this country leading into the north. It is of tremendous economic value to this country.

Heywoods was one of the projects they had written off as white elephants. They said it could not come to pass. But the Barbados Labour Party, under the skilful management of its leader, has brought that to a reality – it is functioning.

They have said that tourism is dying. Tourism is not dying, tourism is not dead. There was a contraction in the

world economy and people who would normally have gone on vacation said they would stay home and see how the world went. Barbados is still a part of the world, and, like most of the other major destinations, suffered as a result of that.

There is no bankruptcy of ideas in the Barbados Labour Party. Our tourism will again rebound to the good of everyone. As the economies of the countries from which our tourists come pick up, we will benefit. We have to do some house cleaning, and I am sure that once the services within Barbados are right for tourism, as long as our would-be visitors are getting value for their money, as long as crime is kept down, as long as they are welcomed by our people, as long as that surliness does not show itself on the faces of the people who make tourism, Barbados will again top the market in the region. I have every confidence in that.

They talked about casino gambling. I want to say this very clearly. It does not matter to me which organisation is offended by my statement. Casino gambling, or any form of gambling, will exist in any country that wants to sell services such as tourism. It is prevalent in London, where it is called family leisure. All of the major hotels in London have some form of casino gambling. We do not hear of any Mafia elements in London, we do not hear of any Mafia elements in Antigua or St. Vincent. The Democratic Labour Party is out to scare the people whenever the Labour Party is in a position to make a decision to bring some economic benefit to this country.

Casino gambling is organised by the major leading hotels in the world — Hilton, Holiday Inn. Those are the ones who have vested interests in casinos. Why could not Barbados in an effort to stimulate its tourist industry in a small way have some form of gambling? The people of Barbados are sensible. Gambling has been going on in Barbados for years. I do not share the hypocrisy of those organisations that would want to forestall any such service that would compliment tourism.

In closing, Mr. Deputy Speaker, I repeat that the Government has done well with its limited resources. As I said, I do not believe we can supply all the services that Barbadians need at the same time, but tell me which country can. The vast United States cannot. There are still deficiencies in certain parts of their economy.

I want to support this Resolution, and I want to commend the Prime Minister for a job well done. I want to commend the Cabinet who sit with the Prime Minister week in, week out to formulate strategy for the whole development of Barbados. I think it is a question of the leadership that is at stake, not any people's reply. It is not the inadequate housing, it is not the tenantry roads, it is a question of a leader who is able to take the right decision at the right time for the people of his country.

I thank you, Mr. Deputy Speaker.

Mr. DEPUTY SPEAKER: Before the honourable Member takes his seat, he made certain quotations from a document. Can he tell me whether that document is already a document of the House?

Mr. L. L. SISNETT: It is my understanding, Mr. Deputy Speaker, that it has been made a document of the House.

Mr. DEPUTY SPEAKER: Thank you.

Is there any other Member who wishes to make a contribution today?

Mr. M. A. KING rose.

Mr. DEPUTY SPEAKER: The honourable Member for Christ Church West Central.

Mr. M. A. KING: Mr. Deputy Speaker, this Budget, like previous Budgets of the Minister of Finance, is characterised by a shift in the incidence of taxation from direct to indirect taxation. The bottom line of this Budget, as in other Budgets, is a net increase in the incidence of taxation.

Page 65 of his Statement states:

"My proposals for increased revenue amount to \$30.5m and I have given concessions which exclusive of the cost of the stamp duty rebate which cannot yet be calculated, will result in a loss of revenue of \$15.5m."

So it is not a give-away Budget. The first thing we have to appreciate is that it is a Budget which increases the incidence of taxation on the people of Barbados, a net increase of \$15 million.

At page 51 of the Right Honourable Member's Statement, his policy is well articulated:

"The policy of shifting the burden of taxes on income to taxes on spending requires some counterweight to the income tax concessions just announced. I accordingly propose that the rate of Stamp Duty on imported goods will be increased from 3% to 5% on the C.I.F. value of the goods."

The position is consistent. There is a steady shift as we go along through the years of the incidence of taxation from direct taxation to indirect taxation.

A few points need to be made on this policy of the shift of the burden of taxes from direct taxation to indirect taxation. I will start with Stamp Duties in relation to which the indirect taxation was levied. The

tax on Stamp Duty was increased in 1982, according to the Minister, at that time, to assist the Government in defraying expenses involved in improving and extending the services performed by the Customs Department. That may be seen from his Financial Statement for the year 1982 on page 14.

11.05 a.m.

Under the heading of Stamp Duty, the Right Honourable Prime Minister said:

"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 in defraying the expenses involved".

So the increase in 1982 was an increase designed to deal with the problem of defraying additional expenses which the Customs Department was then about to bear.

What is the position in 1984, what is the Minister's rationale for the increase in the level of Stamp Duties?

At page 51, he states:

"I consider that economic as well as budgetary circumstances point to a small increase again this year. The continued strength of the US dollar has carried the Barbados dollar with it and made imports cheaper."

We have a difference in philosophy justifying the reason for the increase in the Stamp Duty.

He talked about a small increase this year. But it is significant that the size of the increase is nearly 100 per cent, because if it is an increase from 3 per cent to 5 per cent, it is almost double. That cannot be, by any means, considered as a small increase. It is a fairly substantial increase in the level of Stamp Duties. So from the policies which one can gather from the statement which has been made by the Minister of Finance in the increase in the level of the Stamp Duty, it is clear that this increase has been designed purely as a matter of raising revenue. It has nothing to do with economic considerations or strategies whatsoever.

Another important point to be made about the increase in the incidence of Stamp Duties is that it is tax which all consumers in this country have to pay, irrespective of their means and irrespective of their earning capacity. We spoke against it when it was raised last year on the ground that it would place a disproportionate burden on the lowest income earners in the community. Now, in seeking to pre-empt our arguments on the increase this year, the Minister of Finance seeks to rebut the suggestion about the removal of Stamp Duties by the argument that if the Stamp Duties are removed, the importers are going to pocket the bulk of the resultant funds which become available by virtue of that

removal. He says that the importers are not going to pass on the benefit of any reduction in prices consequent on the removal of the Stamp Duties to consumers. But has the Minister given any thought to the fact that if the Stamp Duty goes into the pockets of the importers, the resultant increase in their revenues would make for higher profits, and that a result of higher profits would be higher taxes as far as the Government is concerned?

Again this year, we in principle, oppose the increase in Stamp Duties. It is a tax which we consider to be regressive, in that it does not distribute the burden of taxation as fairly as we would like. The lowest income earners are the ones who would have to pay a disproportionate burden of the tax which is all pervading and which would reach into every wage earning sector in the community.

I turn next to the issue of Property Transfer Tax, and to what policy considerations motivate the Minister in his decisions on this matter in this year's Budgetary Proposals.

At page 52 of the Minister's Statement, he deals with the question of Property Transfer Tax and talks about the concerns of real estate agents in the country about business being crippled by the accumulative rate of transfer tax payable by foreigners who buy property in Barbados.

What this year's Budget has done is to reduce the level of tax payable by non-citizens of Barbados to purchase land. My rationale behind the incidence of tax at the higher level by non-citizens who purchase land in Barbados was that it was designed as a measure to control the purchase of scarce Barbadian lands by non-citizens of Barbados, and as some measure to control, in the absence of legislation relating to land holding on Barbados, land by aliens. So we have a reversal of that situation, and one must question the position as to whether the reduction of the tax so as to permit non-Barbadians to buy Barbados land more freely, whether that would therefore permit Barbados land to be more easily owned and to be more easily accessible to purchase by non-nationals of Barbados. Does this, therefore, now herald a change in policy direction as far as land holding in the ownership of property by Barbadian nationals and by foreigners is concerned?

I turn now to the question of highway revenue. I believe that there is some lack of clarity in the position which results from the Minister's statement. As I understand it, and I am sure he will correct me if I am wrong, there is a decision to consolidate the existing annual permit fee and the annual tax fee, what is known as the road tax fee. It seems that the consolidation of the annual permit fee and the annual road tax fee is at a certain level which was the level pre-existing before this Budget in some cases. But, it also seems to me, from the

way in which the Budget is structured, that there is a new charge for persons who apply for new permits to operate mini-buses and taxis. It seems to me as if there is a new charge at a very substantial high level of \$15 000 for persons who wish to get new permits to run minibuses. It seems to me as if these are some very drastic changes in the incidence of taxation on the operators of minibuses, taxis and tour coaches.

11.15 a.m.

In relation to tour coaches, for instance, it seems that there has been an increase of some \$1 000 on the annual fee payable. In relation to taxis, which carry up to five persons, there seems to be an increase in the annual fee of some \$300, and there is, I submit, lack of clarity in the position where you are dealing with the maxi taxis, which carry more than five persons and which ply from fixed points.

The policy initiatives from this seem to be clear. It is clear that what the Minister is proposing to do from this Budget is to prevent new entrants into the minibus operations and certainly into the maxi taxi operations, because new entrants are going to have to pay that substantially high fee of \$15 000, if my understanding from the Budgetary Proposals is correct. The policy is clearly designed to deter new owners of minibuses from bringing new minibuses into service. It will also have the effect of converting a lot of maxi taxis which now exist into minibuses, because if these maxi taxi owners have to pay the same fees as the minibus operators, it is clear that in order to make their ends meet and to carry on, they are going to have to divert or to run a large part of their business in the minibus operation. If they are paying the same fees, it is obvious that they would wish to collect the same sort of revenues, so you are going to see a whole-scale conversion of maxi taxis which do not operate from specific points into minibuses.

In relation to those maxi taxis which do not operate in competition with the minibuses and which do not operate from fixed points, the position is very discriminatory, because on those maxi taxis which do not fall into either one of those categories, in other words those which do not compete with the minibuses and those which do not operate from fixed points, the incidence of taxation on them is extremely oppressive. And the argument that the maxi taxis compete with the minibuses and therefore you have to equate them with the minibuses is not a substantial argument, because if you want to control the operation of the maxi taxis and to prevent them from functioning and operating as minibuses, all you have to do is to ensure that regulations exist and are enforced which would prevent the maxi taxis from so operating, and which would require them to carry out the duties for which they are licensed.

These proposals in relation to highway revenue come at a time in this country when there is mounting criticism about the quality of the roads and of the public transport services in Barbados. The road building and the road repair programme is in a state of chaos in Barbados. There is no question about that. There are potholes all over the place. A lot of attention is being given to the construction of major arterial highways, and you are having dislocation of home owners, dislocation of property owners, anxiety by them as to the state of their property, about the loss of their property, about the level of compensation which they can expect, about the time within which they can be compensated, and about the adequacy of compensation if compensation does come. Against that not enough attention is being paid to the rehabilitation of the existing road stock.

In my constituency, for instance, there are a number of roads which are in need of repair. You have areas like Browns Gap in Sargeants Village, which need repair seriously; in Regency Park, Sheraton Park and Elizabeth Park the roads need attention; in Montrose, Vauxhall and in Briar Hall the roads are crying out for repair.

There is need for development of roads to serve the tenancies in places like Boarded Hall in my constituency, in Frere Pilgrim and in Lower Greys. These tenancies are plantation tenancies which have been acquired, in which the tenants have been given options to purchase through legislation brought down by this Government. But the tenants have been given the option to purchase their land and yet nothing has been done about providing the infrastructure, roads, water and light, which are necessary for the tenants to have access to and egress from the land which is now occupied. Major attention, in my view, has got to be given to the development of roads in the tenancies, particularly those plantation tenancies which are now being developed where tenants have the option to purchase their land.

In order to avoid the problem which we hear from time to time of Ministers being accused of diverting all their attention to the repair of roads in their own constituencies to the exclusion even sometimes of their own colleagues, they ought to be published, in my view, a programme for road repairs which can be discussed so that representations can be made by Members of Parliament to have the problems in their areas redressed. This would eliminate a lot of the accusations which Ministers of Transport and Works are usually wont to get, that they are fixing the roads in their own constituencies, and even their own colleagues find it difficult to get one or two little repairs done in their own areas, much less members of the Opposition.

Mr. Deputy Speaker, in 1981 the Minister of Finance, from the Budgetary Statement of 1981, was concerned about the weak underlying position of public transport and of the highways, and in September 1981, the Right Honourable Member instituted a Transport Levy, better known to Barbadians as the barefoot tax, for the purpose of buying buses for the Transport Board and for special programmes of highway repair. We opposed the levy then on principle, and we continue to oppose it in principle. We opposed it on the ground that it was a tax which was payable by all employed persons irrespective of the level of their earnings. It was payable once they were contributing to National Insurance. It was a tax calculated on their insurable earnings, with the result that the lowest paid income earner, the worker for instance who prior to this would not have been liable to pay Income Tax because his wages were too low, was being caught in this all-ensnaring tax of the Transport Levy and the Health Service Levy.

We opposed it, secondly, on the ground that the revenues which were collected from the levy was not being paid into the Consolidated Fund, but were being collected by the National Insurance Department to be administered by a Board, which was going to be set up and which in fact was set up by the Minister of Transport and Works.

We have serious reservations about the money being paid into the National Insurance Department, first from the point of view that it would place an undue burden on the work of that department, and, secondly, since the funds are not paid into the Consolidated Fund, Parliament could have no effective control over a sizeable part of the expenditure of the Ministry of Transport and Works in its road repair programme and in the purchase of buses.

It is not a satisfactory answer to say that the Reports of the Transport Levy Fund Board are to be laid in Parliament and that the Chairman of the Public Accounts Committee, who is the Leader of the Opposition, would be in a position to examine the accounts of that Fund Board and to report on it. That is not a satisfactory position, because Parliament, in reviewing expenditure in relation to the Ministries, is in a position to look at the expenditure up front, before hand. In relation to reports from statutory corporations and other boards, those reports never reach Parliament until very late; sometimes they are years in arrears.

11.25 a.m.

This Transport Levy Fund which has been established was introduced in the 1981 Budget, the Board has been established, funds are being collected and used; and to this date, 1984, no report of the Transport Levy Board as far as I know, has been laid in Parliament. The public of Barbados, through its representatives here in

Parliament, have no account of how much of their money has been in fact collected in Transport Levy Fund and in Health Service Levy. They have no account, because the accounts are not before Parliament and we are not in a position to see what those accounts are. Statements by Ministers as to what is happening to those funds are not satisfactory, because where funds are collected of this magnitude and Parliament has no prior control over the collection and disposition of those funds, we feel very strongly that this sort of situation does present an opportunity for corruption and abuse in the hands of an unscrupulous Minister, if he were so disposed. So this is one of the areas which, in our view, needs urgent attention and needs to be tidied up.

Whilst I am on this question of tidying up, let me just quickly mention, if I can, the Provisional Collection of Taxes Act. Following on this Budget, there will evidently be a lot of legislation which has to come before Parliament. We would hope that that legislation is brought within the statutory period and that we are not going to be asked to validate legislation.

Mr. DEPUTY SPEAKER: The honourable Member is now anticipating, and he is not allowed to do that.

Mr. M. A. KING: I do apologize, Mr. Deputy Speaker. I will say nothing further on that.

But there is another area of what I call untidiness which I will address, to which I think that attention needs to be given. The Right Honourable Member for St. Thomas, talked about certain changes which were proposed in the retirement age for public servants; changes which, in effect, affect the terms and conditions of employment of those officers. I would hope that in these changes for public officers, the view of the National Union of Public Workers is sought and that agreement is reached before any attempt to change the terms and conditions of those who are presently employed in the Public Service is effected, because one can see the type of problem that is likely to result when you seek to change the terms and conditions of those in the Public Service without their approval or without proper authority.

Mr. Deputy Speaker, this Budget, like the Budgets of March, 1982 and September, 1981, have a sameness about it which characterize them. They fall into the category of Budget which the Prime Minister on one occasion, I believe, called "survival Budgets." They deal purely with financial measures and do not address economic policy issues. They have a consistent characteristic in that they increase the level of indirect taxation with some minor concessions in the area of direct taxation.

This Budget, like those others, is designed as a survival gift in the quagmire into which the Barbados

economy has fallen. Honourable Members on the other side, like a scratched record, seek to discredit the Member for St. Michael South Central (Dr. R. C. Haynes), our spokesman on Finance, and accuse him of being a prophet of doom and gloom. They complain about his litany of woes of the Barbados economy. But was it not the Minister of Finance himself who, for instance, in September, 1981, talked about the difficulties of the Barbados economy as a result of worsening international market conditions. Was it not that Minister who, in March, 1982 said that you could have foreseen – I am winding up now, Mr. Deputy Speaker.

Mr. DEPUTY SPEAKER: Because your time has long gone and passed.

Mr. M. A. KING: The point I am making is that honourable Members on the other side accused the honourable Member for St. Michael South Central of being a prophet of doom and gloom, when the Right Honourable Member for St. Thomas himself is always commenting on the gloomy state in which the Barbados economy is. So our spokesman is not really prophesying, he is only stating the facts. This Budget does not address correcting the problems of the Barbados economy.

Thank you, Sir.

Applause.

Mr. DEPUTY SPEAKER: The honourable Member for the City.

Hon. Miss. B. A. MILLER: Mr. Deputy Speaker, I wish to support this Resolution, and to congratulate the Minister of Finance on this Budget.

The Opposition has so far, since last night, failed to address the Budget. We have heard some political speeches. We have heard some mumblings. But, properly speaking, no one on the benches opposite has yet actually addressed the Budget.

The chief spokesman on matters of Finance over there, I believe, tried in vain. He chipped away at the edges of the Government's policies outlined in the Budget. He was all over the place. We heard that everything was chaos. We heard that everything was disaster. We heard that everything was in bankruptcy. The prophecies of doom and gloom that the honourable Member who just spoke referred to – none of these prophecies have yet been fulfilled.

On this side, the Government has never denied that Government is difficult. It is difficult, and these are difficult times. We hope that we show by our performance in these difficult times that we are capable of managing the difficulties.

None of the prophecies foretold by the honourable member for St. Michael South Central have yet been fulfilled. Maybe, like Jeremiah, many generations hence, when we are all gone, somebody may say that a prophecy which he made in 1979 or 1980 or 1981 or whenever was fulfilled. But in this 1984, certainly we have not seen any of those prophecies come to fruition.

11.35 a.m.

The economy has not collapsed, as he said it was going to do. The IMF is not throttling Barbados, as he predicted it was going to do. Food is on the supermarket shelves – and a variety of it. Nobody is barefoot in this country.

What we got from the chief spokesman for Finance was a lot of broad and general charges. This is his style, the great impressionist, a self-confessed impressionist. He made a number of generalizations without any data, without any supporting foundation. He quoted figures liberally without disclosing any source or any authority for them. That is his style. He has learned no lesson from an interview he gave on radio recently, when it was pointed out to him that the days are long gone when you can just throw out generalizations and accusations and not back them up with figures and facts. Barbadians are far too sophisticated and educated for that style. Those days are gone forever. But for two and a half hours, this is what we got.

I am satisfied that this is the worst Budget Reply that I have heard from the Opposition spokesman on Finance. He was not confident, he spoke without authority; as to the other Members – they are bringing the same lacklustre effort. You cannot call say "contribution", because contribution implies something positive. They are bringing the same lacklustre debate as we saw during the Estimates Debate last month. We hope that this will still develop into a debate on the Budget.

The truth is, I believe that the Opposition really has nothing to say. What little they do have to say, I perceive they are afraid to say it. They have done everything in their power to truncate this debate, or to cancel it. You would remember that a few years ago during a Budget Debate they said nothing, and we stood up in here and we spoke – we had something to say. All they did was to show themselves up before the Barbadian public, but we are determined that this is not going to happen today. You are going to have to speak. You are going to have to get up and tell Barbadians something.

We are yet to hear what definitive statement of policy, or one outline of a plan coming from the Opposition benches. They want us to believe that they are an alternative Government, because that is, to a large extent, what Opposition is all about. Opposition looks easy to a lot of people. You get up and can say anything, and you

can say everything because you do not have a responsibility. But in our style of Government, not only Government brings heavy responsibility, Opposition brings heavy responsibility. The Opposition has the responsibility to the people who voted it into opposition, in fact all of the people of Barbados, and they had better face up to that responsibility before this day is out.

From time to time in the course of Opposition speeches, broad and general charges were thrown out. I do not want to spend a lot of precious time in this debate addressing all of those side issues, but there are one or two which I think that I must speak about. We heard talk about the National Health Service. We heard talk about primary health care. We heard that health, like everything else, is in chaos and disaster, and bankrupt.

Everyone knows that primary health care started under the Barbados Labour Party. In fifteen years what did they do? The health services which the Barbados Labour Party put into place continued unchanged, the public or community health continued to be delivered from those health centres all through the fifteen years of the Democratic Labour Party Government.

Honourable Members have spoken about their introduction of something called multi-purpose clinics. What multi-purpose clinics? There was no policy. There was no plan. The Democratic Labour Party abolished Local Government in 1969 and centralized all the social services. This country is still trying to recover from that. Multi-purpose clinics? There was a failed project for a crematorium at Warrens and that was converted into something called a multi-purpose clinic at the last moment. The honourable Member for St. Michael South (Mr. L. E. Sandiford), who was then Minister of Health, created what you would have to describe as a hole in the wall at Bayville and called it a clinic, and that was there to exclusively service his constituents across the road in the Bayland. Is that a multi-purpose clinic? Is that a policy in respect of public health or any kind of health in this country?

The Democratic Labour Party was never really interested in community health. They are not now interested in community health. They do not appreciate the fundamental principles of providing social services at the level of the community in the community. It is not every service which can be centralized in the way they sought to do in 1969. Some social services, in particular, health and education services, have got to be decentralized back into the community, and that is what we have been undertaking during the past seven and a half years. The concept of polyclinics, in my view, makes one of the great differences in the style of administration between the Democratic Labour Party and the Barbados Labour Party. They could never have centralized it, because they have no respect for the principle of

decentralizing social services into the community at the level of the community.

We have put down a network of polyclinics, and there is no apology to be made for it. These polyclinics are important. Their functions are well known to people. Every clinic has a pharmacy in it. Every clinic has a mini-laboratory in it. Every clinic houses the public health inspectorate for that particular district. All of these are important to every community in Barbados, but that concept is lost on the Democratic Labour Party. The Queen Elizabeth Hospital is a general teaching hospital of the University of the West Indies. It is not a clinic and that is what they sought to do when they centralized all services. Everybody had to come to town for social services.

The Democratic Labour Party imposed a Sales Tax on drugs. They do not like to be reminded of this, but they must be told it again and again. The people in this country cried out and you had to take it off. We have brought a National Drug Service to this country.....

Asides.

Mr. DEPUTY SPEAKER: Now the honourable member must not shout across the Chamber at this time. He had his time to make his contribution to the debate and I believe he was heard in silence and according with the Standing Orders. I do not want the honourable Member or any Member shouting across the Chamber, and I wish that all Members observe Standing Order 33(6).

Hon. Miss B. A. MILLER: Thank you, Mr. Deputy Speaker. The honourable Member for St. Michael North West (Mr. L. A. Weekes) who spoke first this morning, talked about the escalating cost of drugs. He is only stating the obvious.
11.45 a.m.

The drug industry everywhere in the world is one of the most lucrative of industries. Great monopolies operate in the drug industry. There are tremendous sums of money to be made from it. That is why it was important when we put together a national formulary in which generic drugs rather than brand name drugs, highly expensive drugs no better in quality than generic drugs, were an important feature of it. The honourable Member for St. Michael North West well knows that. He was one of the pharmacists who supported that formulary when it came out, and I believe is still today prescribing by that formulary. Of course! The Democratic Labour Party could never have conceptualised that.

What the National Drug Service means in this country today is that all Barbadians over the age of 65, no

matter what their earning capacity is, no matter what their station in life, are entitled to drugs free of cost, any and all drugs. It is not possible at the very beginning to give all the 250,000 – odd Barbadians free drugs, and so we have had to phase this service in and we have had to choose our priorities, and we chose the over 65 first. They are the people more subject and more prone to illness. We decided at the same time that those people who suffered hypertension, cancer and diabetes, which are the three big killers in Barbados, should also be the beneficiaries of free drugs. Remember, the honourable Member for St. Michael North West knows that; in his pharmacy on a daily basis he dispenses free drugs to people of that description. He cannot deny it.

So how is it in his mouth to get up and say this morning that the cost of drugs is rising? What does that mean? The cost of everything rises. If there was no national drug policy in this country, if there were no national drug services, the cost of drugs would still be rising, and Barbadians would be paying more, whereas we have a situation for years now, and I hope for many generations to come, where a large number of people, the people who are truly in need, do not have to pay anything at all, irrespective of the spiralling cost of drugs.

I do not want to spend a lot of time digressing, as I said, on these sporadic outbursts we have been getting from the other side, but as Minister of Education I believe that I must spend a couple of minutes on education.

The honourable Member for St. Michael South (Mr. L. E. Sandiford), who was a former Minister of Education, scoffed at the measures taken in this budget in respect of education. He pooh-poohed the idea of a \$10,000 prize, but then he went on to say that it was too late for him to receive the prize. There are a lot of young people out there who will be glad to have the \$10,000 when they win it. The value of a bursary has been moved from \$100 to \$125. There are 2,900 bursaries being provided in this country every year. I verily believe that the parents of those 2 900 children will be exceedingly glad and grateful for the increase of \$25 in respect of the bursaries, and I believe that all of the proprietors of the Government-assisted private schools will be very glad of the improved pupil teacher ratio, which will entitle them to even greater Government assistance than they are already getting. The honourable Member for St. Michael South was silent on those points.

Although the Opposition members spent a lot of time looking at the clock and worrying about how they would speak for half an hour, I see that my half hour is fast disappearing and there is still much more I want to say. I want to say that the Democratic Labour Party Opposition still now in 1984 has no new ideas. They have not had a new idea for over ten years. They went

out of Government because they had no new ideas, so for over ten years, perhaps 12 years, they have not had a new idea. And we are not likely in the next few years ahead of us to see any new ideas coming from the Opposition benches either.

There are some things that ordinary Barbadians watching us today may not know, and I feel constrained to say a few things. One is that the Opposition is locked in mortal battle with itself over the succession to the leadership of the Democratic Labour Party. That is what they are pre-occupied with, that is why they cannot address the Estimates, that is why they cannot address the Budget. Barbadians remember many years ago an infamous phrase, "If we cannot get Mottley out of the City, we are going to take the City out of Mottley." People remember that, and the Right Honourable Member for St. John destroyed Local Government in this country in an effort to destroy one man, Ernest Deighton Mottley.

Recently we have seen a new move to take the presidency out of the honourable Member for St. Michael West (Mr. B. M. Tait) because they cannot get the honourable Member for St. Michael West out of the presidency of the Democratic Labour Party. That is what they are pre-occupied with over there. This is a terrible fight, to the death if necessary, to settle the succession to the leadership of the Democratic Labour Party. They have to do this in time for 1986, and the Battle Royal is on.

No less a person than the Honourable Leader of the Opposition, the Member for St. John, told Barbados a few weeks ago that he himself is bringing down a Resolution to their Annual Conference set for August this year to deal with this question of executives. Members of Parliament in their party must not hold executive office within the party. That is only what in Barbadian parlance could be described as "a big foot move" by the Leader of the Opposition to take the presidency out of the honourable Member for St. Michael West because he cannot get him out of the presidency of the Democratic Labour Party. That is what they are scrambling about over there. That is when we see the malice and the antagonism over there, and that is why they do not want the honourable Member for St. Michael West to speak for an hour. That is what the problem is over there, and that is why no new ideas are coming from over there.

I genuinely and honestly believe that that is why no intelligent analysis can be brought by the Opposition to the Estimates or to this Budget debate. That is why they are afraid to speak today. Do not let anybody fool you, they are afraid to speak today. This morning at 10 o'clock, when these benches were full, there was one

lonely Member over there, and the ones who you do not see over there now are hiding out downstairs in the Opposition's chambers; they are afraid to speak. But you are going to have to speak. If we are in here till 12 o'clock tonight you must speak, or the emptiness will be shown up, the bankruptcy of ideas will be shown up.

All the things you were afraid to do, that we have had the courage to do and to implement, all those things you cannot face, you are going to have to face in here today and in many more days to come, and outside on the platform too. That is what politics is about. This place is called a Parliament. You come in here to parlez, talk, and that is what you have to do. We want to hear you. We are determined to hear you.

The Opposition time and time again under-estimates the powers of understanding and analysis which are possessed by all Barbadians. Barbadians, as I keep saying, are educated and thinking people.

11.55 a.m.

They throw out these statements and wild accusations, but Barbadians want to hear analyses now. They want to hear what your thoughts are. They want to hear what your plans, policies and programmes for Barbados are.

I do not want to hear any cheap excuse about we will have to wait for the manifesto. The Barbados Labour Party will put out a manifesto too, but that does not stop us from outlining our plans and our policy for Barbados in the Development Plan. Sometimes you hear of our plans in speeches in this Honourable Chamber. Sometimes you hear about them in statements made by Ministers of Government outside of this Chamber. So that is no excuse to hide behind. You have to get up and speak and show by your actions and your understanding that you can run a Government in this country. Barbadians are not yet persuaded of that.

I want to know what are the Opposition's plan for the years ahead. After all, the people of Barbados have eyes to see. I am not saying that they cannot see the difficulties that the Government faces. I am not saying that they cannot see the inadequacies and the potholes in the road. Of course, the people can see those things, but Barbadians can also see the Government's performance and the Government's heroic effort to make life good for all of us. They can see the massive new Arawak Cement Plant. They can see the Heywoods Project. They can see the rebuilding of Oistins and the rebuilding of Speightstown. They can see the Spring Garden Highway, which is very soon going to be extended, so that our two major ports, the airport and the seaport, will be linked. All the produce of trade, industry and agriculture need this. We cannot increase our productivity without this.

Barbadians can see that, and not only Barbadians. It is there for the whole world to see. All the important

major funding agencies can see it, and they compliment us on it. What does the Opposition see? Doom, gloom and chaos and confusion. What am I to understand? That the Opposition has different eyes from everybody else? In the end, the people will judge us all, and I want to hear the Opposition.

Thank you, Mr. Deputy Speaker.

Hon. DeL. O. BRADSHAW (St. Michael South East): Mr. Deputy Speaker, I do not only want to congratulate the Right Honourable Prime Minister, who is also Minister of Finance, but I also wish to thank him on behalf of the over 26 000 old aged pensioners who today are very happy with the proposals which were made in the Budgetary Proposals last Tuesday evening. The Honourable Prime Minister has lived up to what most Barbadians have thought about him; that he has concern for the poor people, for those persons who are not economically in a very handsome position.

What disturbed me, however, was to hear the reply of the honourable Member for St. Michael South Central (Dr. R. C. Haynes), who yesterday made a number of statements. I am sure that when one analyses these statements, one can only come to the conclusion that it is regrettable that we find today people who are supposed to be in responsible positions making irresponsible statements.

I heard the honourable Member for St. Michael South Central claim that the country is concerned over the attempts of Government to undermine the trade union movements. I heard him say that the level of employment is higher today than in 1976, and I could not believe when I heard him say that the housing welfare programme has been decided on political basis.

I am going to take issue with these three statements made by that honourable Member. Not only are they irresponsible, but I would dare say that they could only emanate from a man whose figment of imagination has led him to make such statements.

To begin with, this Government has a record, which cannot be matched by the Democratic Labour Party, in relation to dealing with the trade union movement. The Barbados Labour Party was in the vanguard in establishing trade unionism in Barbados. The late Sir Grantley Adams not only made an invaluable contribution to the political life of this country, but those who are familiar with the history of the Barbados Workers' Union will know that his name stands out, and it is now written in indelible ink. I cannot understand how an honourable Member can seek to say in 1984 that a party which has had such a record and maintained such a record with the trade union movement can be accused of undermining the trade union movement.

During the past year, I have met with a number of trade unions. I have met with the workers' unions as well as the Employees' union, and we have had nothing short of the best understanding. At no time was I of the impression that they thought that the Government was ignoring them, or was about to trample on their democratic rights. We have discussed matters finely. We have had open dialogue, exchange of views, and we have adhered to the strict principles of industrial relations. 12.05 p.m.

It is a credit to the Government and to the unions, one union in particular, to have demonstrated that the bargaining table is the place to bargain and that some sanity can be brought on the question of industrial bargaining. I want to publicly salute the National Union of Public Workers for having sat down and negotiated successfully with the Government in reaching an agreement this year. It was thought by our detractors, particularly those in the Democratic Labour Party and those who are opposed to this Government, that a settlement would have been impossible, but thank God we have shown that we are a Government that is willing to come and talk, and willing to compromise in matters where there is a need to compromise. I want to say that it shows that the industrial climate is still free from the pollution which some of our detractors feel is still present.

I want to touch on the question of unemployment. The honourable Member for St. Michael South Central did say that the level of unemployment is higher than in 1976. I submit that that is not so. I would wish to present the statistics for the benefit of this Honourable Chamber and for the Barbados public at large. In 1975, the statistics reveal that there was some 22.5 per cent unemployment; in 1976, it was 15.6 per cent; in 1977, it was 15.7 per cent; in 1978, it was 13.7 per cent; in 1979, it was 12.9 per cent; in 1980, it was 14.5 per cent; in 1981, it was 10.8 per cent; in 1982, it was 13.7 per cent and in 1983 it was an average of 14.9 per cent.

The interesting fact about these statistics is that the same method that was used in 1975 by the Democratic Labour Party is used today, and has been used throughout the years from 1975 by the Government. I therefore really cannot understand how today one can dispute the figures and the statistics revealed by the same mechanism devised by the Democratic Labour Party because they want to gain cheap political mileage.

At no time at all have the unemployment statistics for any single quarter at all been more than what it was in a quarter during the Democratic Labour Party regime. Between January and March, 1976, the unemployment statistics for that quarter were 17.7 per cent, and I want to state categorically that at no time did any statistics reveal the figures to be more than 17 per cent during any quarter of the Barbados Labour Party's

regime. It has not reached there and we do not intend it to reach there.

The honourable member has got to be careful with the statistics that he claims are statistics compiled by the Labour Department, the trade unions and other institutions and persons. We have to take issue with that because there is no truth at all. He has no statistics from the Labour Department, he has none from the Government that substantiate his position on those statistics produced in here yesterday. He owes the country an apology for misleading the country with such information.

We have known the honourable Member to have said a lot of things. A few weeks ago when we were here discussing another matter, that same honourable Member for St. Michael South Central said that he would advise the employers of this country to pay a cheque for National Insurance, and he went on to say they should not pay any other taxes or levies. That is a very serious thing, because the Severance Payment Act, which was passed in 1973, made provision for employers to pay one per cent into a fund so that when workers are made redundant or are severed from their employment, they would be able to benefit from some money. This money we know as severance money. We also know that the Unemployment Levy was initiated by this Government so that when persons are laid off and are out of work, they would at least have some money to tide them over the time they are out of work.

Now what is the honourable Member telling the employees in this country? That when they are severed or are made redundant, through no fault of their own, that they should not be in receipt of one red cent? That is what the honourable Member for St. Michael South Central is saying. Since he is the spokesman for the Opposition, since he is regarded as one of the main persons in the Democratic Labour Party, is he telling the country that his party's position on the whole question of severance and unemployment benefits is that they are going to discontinue severance money and unemployment money? I want him and I want the Democratic Labour Party to get up and explain their position on this, because that is exactly the position taken by the honourable Member, the spokesman for the Opposition.

I also heard the honourable Member say that welfare houses were allocated on the terms of political bias. I have here a document in my hand, which I intend to make a document of this Honourable Chamber, which sets out all the welfare houses in this country. I see here that there are some 36 welfare houses in the parish of St. Philip, in the parish of Christ Church there are some 29 welfare houses, and welfare houses in the parishes of St. Lucy, St. Peter, St. Thomas, St. John, St. James, St. Andrew, St. George, St. Joseph and St. Michael the document tells the story. It gives lie to the accusation

that there is some political bias as far as the allocation of welfare houses is concerned.

12.15 p.m.

The Government's policy remains that, as far as services are concerned, we do not intend to discriminate. We do not intend to discriminate on the question of colour, race or even political affiliation. That has got to be made abundantly clear. When we establish that a person is in need of a service, and in particular a welfare service, we do not concern ourselves with what political complexion the person bears. We are concerned with the mere fact that the person is in need of welfare services, and we are prepared to grant some services on that basis. So I wanted to dispute the allegations and insinuations made by the honourable Member for St. Michael South Central. It is not fair for us to be hearing today that such charges are made in this Chamber — groundless and based on no facts at all!

This Government is very concerned about the question of unemployment. We are concerned because the level of unemployment is too high. But we understand that there were other factors, there are reasons for this situation. Honourable Members on that side must understand that the economic recession struck the entire world, and Barbados is part of the world. In the United States, unemployment today is well in excess of 7.8%. In Canada, it is well above 9%. In Barbados, it is about 14.9%, and we are concerned.

We also know that new technology has taken over and has been responsible, in most cases, for the displacement of workers. The United States only last year set aside an enormous sum of money to try to come to grips with the problem, and like Canada, last year they decided to embark upon a skills training programme. It is widely accepted by eminent economists and those who understand the implications of unemployment and what it will take to correct the situation that all countries should embark upon a skills training programme with a view to equipping the workers with new skills and new technology, because some industries have become obsolete.

We also know this, and that is why we have made repeated calls to the Barbados workers to try to equip themselves with new skills, because we have seen what has happened in the developed countries. We feel that they have now recognized that we have embarked upon the correct path. Since 1979, this Government established the Skills Training Programme. It created the National Training Board in order to initiate programmes with a view to equipping the work force with appropriate skills.

In that, the solution may very well lie. It is one of the solutions to the problem of unemployment, because you will have a cadre of skilled people to take over when economic recovery comes — and it must come.

We are not prophets of gloom like the Opposition members. They thought that this country would have collapsed during the last year. They felt that today the Right Honourable Prime Minister and Minister of Finance would not have been able to produce such a Budget, and that he would not have been able to alleviate and to remove some of the burdens of the poor people. But, thank God, wisdom has prevailed. We took those short-term measures because we believe in planning for the future of this country, and the Skills Training Programme serves to remind us that Government has been in the forefront in seeing that new initiatives have got to be embarked upon in order to relieve the situation. We are not followers of the United States, Great Britain or even Canada. We are the leaders. They are now embarking on skills training programmes.

The position is this. The country is now on the verge of economic take-off. Once again, our programmes are designed to create new job opportunities. New investors will be lured to this country, and these new investors, the new entrepreneurs, will be requiring new skills. That is why we have had the wisdom to create a unit within the Ministry of Labour, one of its objectives being to try to analyse all the employment data, so that we would be able, way in advance, to know what sort of industries are coming into Barbados, and at the same time, be able to point out to the National Training Board the areas in which skills have got to be had.

Training must be appropriate. That is why we have decided to compile all market information — so that all of the parties concerned, the National Employment Bureau, the Labour Department, the trade unions, the IDC, all employers will be able to sit down and discuss job opportunities and the labour market situation in Barbados. It is in that way only that we will be able to equip people with the appropriate skills. That is fundamentally important.

No longer can we go about training and educating our children in areas that are totally irrelevant. We have got to come to grips with what is relevant and what is irrelevant. I feel and I am fortified in my belief that the Government has initiated the correct programmes and taken the right steps to relieve the problems which we presently have. I am also fortified in the belief that the Government will, in the end, succeed in its programmes.

From time to time we have heard about old age pensioners and what this Government is doing for them. A couple days ago, about two weeks ago, the Government increased the old age pensions; the non-contributory pensions, from \$35 to \$40, and the contributory pensions from \$40 to \$50. In 1976, when we took over, it was a mere \$13 per week. In addition to that, this Government has been paying the water bills of those old age pensioners. Those old age pensioners who have applied for relief have been getting relief and assistance.

We have also been paying the house rents of some old age pensioners. We have also been paying the land rent of some old age pensioners. In addition to that, we have been repairing the houses of the old age pensioners. During the last three months, we have done some 150 houses. The programme has been accelerated.
12.25 p.m.

You have criticized us. The honourable Member for St. Michael South Central should have known that houses were done in his constituency. Yet, he got up yesterday and sought to say that this Government is using some political yardstick to determine repairs to old people's houses. Away with that! What we have decided is to give the old age pensioners new houses to live in, when we find that the conditions in which they live are such that it demands replacement of a new unit, and that has a cost.

We have gone far to make available to the same old age pensioners the Home Help Service. The Home Help Service has been extended to all parishes in Barbados. We intend to look after those senior citizens who have made such a contribution to the development of this country. We are not going to ignore nor neglect them. We intend to treat them properly, and I say to the Right Honourable Prime Minister and Minister of Finance on behalf of those old age pensioners, thank you very much.

Let us understand that while you have the Opposition ranting and raving over there, criticizing the Budget, there are lots of people out there, the families of the old age pensioners, who are very, very happy to know that they can get on a bus and travel to visit their relatives. They are happy to know that they can now receive free drugs if they are 65 years and older. When you were in power, a person had to be 68 years to qualify for an old age pension. We reduced it to age 65.

Not only that, we have made sure that those people are going to receive free medical attention. Is the Opposition really critical of that position by the Government? We know that some doctors charge as much as \$40 per visit. I understand some charge more for the second visit. I know that the minimum is about \$20. We feel that those old age pensioners should not be made to pay the doctors from out of their old age pension, and so we have decided to initiate the National Health Service so that they will be able to get free medical attention. If you are vexed with that, stand up and tell the country that you are critical of the Government because we are going to bring in a National Health Service to help the old age pensioners. Or are you going to tell them that you are prepared to abolish the National Health Service if and when you get into power so that the old age pensioners once again will have to either take up their pension which they now receive and pay, or not be able

to get the service? You must stand up and tell the country the position you are taking.

Mr. Deputy Speaker, I hope that I have set the record straight, and I hope that the honourable Members on that side will not seek during this debate to convey the wrong impressions to the public.

Thank you.

Mr. DEPUTY SPEAKER: Is there any other Member who wishes to contribute to the debate?

The honourable Member for St. Michael North.

Mr. P. M. GREAVES: Mr. Deputy Speaker, it is very seldom that such little interest is demonstrated in a Budget as is clearly the case with this particular Budget. This lack of interest is matched only by the emptiness of the preparations by the members on the opposite side, notably the speech by the honourable Member for the City (Hon. Miss B. A. Miller).

The honourable Member for the City said that over the past ten years the Democratic Labour Party regime had run out of ideas. Of course, she is only uttering what several other honourable Members have said from time to time. I believe that she and those other Members had gone to sleep and only awoken at election time in 1976. Where does she think that we got the sewerage plant from? Was it their idea? Where does she think they got the cement plant idea from? Was that their idea? Where does she and others think, that they got the Heywoods Hotel from? Where do they think they got the Spring Garden Highway from? Where do they think the St. Barnabas Highway idea came from? Where do they think those ideas came from? Let the public know what the facts are!

In 1976, we apprised the country of these facts. I still have my slides home that I showed to the public in 1976. Of all these matters expressed here, there were models of these things. If honourable Members want to see my slides, I can bring them in this Chamber and I can put on a demonstration for them.

I do not believe that it was merely a lack of interest in this Budget by the people of this country. The courtyard was half full, and very few people were seen in the gallery at any time. I rather believe that the people of this country came to sense that there was little in this Budget for them — and in truth and in fact, they were right. A large section of this population are wage earners, and many of them earn less than \$120 a week. Many are unemployed in agriculture. Many are unemployed in

industry. Many of them are in my own constituency from St. Michael North. What does this Budget hold out for those persons who earn less than \$120 a week? That is no joke.

There are many persons who earn less than \$120 per week in this country. They are under 65 years of age, so they cannot benefit from that element of the Health Service that is in place or will be in place sometime during this year. Therefore, this element of the Budget will have no relevance to them.

The increase in personal allowance for Income Tax purposes will be of no benefit to persons earning less than \$120. He will not pay taxes anyhow. I mean the Income Tax, because he is clobbered by the increase in indirect taxation. So this does not in any way avail him.
12.35 p.m.

The increase in the child allowances will not help that wage earner. If there is any parent who needs relief, it is that wage earner who will normally have four, five or six children. But, paradoxically, it is the parent of the one child or two children whose income has put them in that bracket that will get relief from this budget, so they can take advantage of the child relief aspects in this Budget.

Mr. Deputy Speaker, I believe the time has come when a direct contribution should be made to these children in such a way — I want to make it clear — as not to encourage irresponsibility in the parents. I believe that there is a formula that is possible. We have been witnessing over the past 20 years, as has been demonstrated in the Budget, a fall in the birth rate of children, and although these parents have relatively large families, they too have contributed to that decline, because their own parents would have had even larger families, so they must not be forgotten.

The removal of the 3% surcharge on corporate taxes will not help that wage earner of \$120 a week or less. Nor will the increase in the mortgage allowances. These benefits will not be theirs, but on the obverse side of the coin, they have to pay more for their cigarettes. They have to pay more for their matches. They will have to pay more for the foodstuff that is imported into Barbados, because the Minister of Finance has increased the Stamp Duty from 3% to 5% on the C. I. F. value of goods imported.

I want people to understand, as was said by the Member for St. Michael South Central, that the Stamp Duty does not relate to postage stamps, as I understand is the belief. This Stamp Duty is a duty computed on the value of the goods brought in. The insurance and freight elements are added, and then a percentage of that is added as a Stamp Duty. So when persons go to the stores and find that the cost on foodstuff has increased, they will understand that it has increased not because the merchants necessarily want it to increase, but because of some direct action taken by the Government by way of an increase in the Stamp Duty.

The Minister of Finance, in introducing this Stamp Duty, has had a very interesting reason. He said the strength of the American dollar has made the Barbados dollar strong, and therefore has made imports into Barbados cheaper, so he would have to put back that cheap foodstuff back to the expensive way it was before the strong dollar had brought it down. What we got from the Honourable Minister of Finance was an almost doubling of the Stamp Duty, from 3% to 5% — and that was termed as small.

So the \$120 a week wage earner, that person from St. Michael North and from other parts of Barbados, while he gets no benefits from the Budget, is burdened with his share of indirect taxation, which will come his way in the increase in the prices of goods. No wonder then, the apathy, the lack of interest. There may very well be despair, for these people well understand that they will now have to pay those taxes which their more prosperous brothers used to pay, but will not now have to pay because of this Budget. That wage earner is far worse off than before the Budget, because he still has levies to pay like everyone else.

I want to state clearly that I welcome the relief granted to taxpayers in the budget. I do not want that misunderstood at all. As a matter of fact, we on this side would have gone even further as far as granting relief to those taxpayers is concerned, and I just want to remind this Honourable Chamber of what our own leader, the Right Honourable Leader of the Opposition has had to say on this, that he thinks the time has come, given the economic situation that exists at this moment, for relief to be granted to persons who earn \$1 000 per month or less.

But there is an obsession with this Government, this hard-headed Government, that what it gives out in one area it must take back double in another. They can

never think in terms of achieving the same results by improving efficiencies, or maybe cutting back on some expenditures, or eliminating wastage in order to offset what it gave out in the first place. There is even a more positive approach, that is, to so stimulate economic activity in this country that it would allow the momentum of the economy to bring with it greater production, and at the same time increase revenues for the Treasury. But these are points that escape that great combination over there.

The Government has chosen the path of increased taxation, but increased taxation can be counter productive. There can be no clearer demonstration of this than the increase imposed on the transfer of properties by way of Property Transfer Tax. I will not deal with that in any detail, I will leave that for my brother, the Member for St. Philip North (Mr. W. O. Franklin).

The Government had amended the Property Transfer Tax Act to increase that tax from 10% to 15%, and then there was a further increase to 17%. Now we find that they have discovered that those measures were counterproductive. I have no doubt that that is the reason. They did not produce the kind of returns they had expected, so therefore it now reverts to the 10%. They have to amend the Act once more, wasting the time of professional officers and wasting parliamentary time.

On Tuesday the Minister of Finance extracted over \$30 million, by his reckoning. By our reckoning, it is far in excess of that. It has come from the pockets of the people in this country, the poor and rich alike, and then he boasts that he has maintained taxation. This has been the pattern of the Budget from the time the Minister of Finance first delivered a Budget in this country in 1977. Today, in 1984, the people are paying over \$300 million more in taxes than they paid in 1976 and the important question that one must ask is, have the people of this country had a commensurate improvement in services over those years?

12.45 p.m.

We have the cement plant that we heard about. We have the sewage plant. We have the Heywoods Hotel. We have the Spring Garden Highway. We have the polytechnic. We have all the legacies of the Democratic Labour Party, but are these sufficient? Are they making a good enough impact on the lives and livelihood of the people of this country? Is it comparable to what we have to pay?

It is very easy for the Government to say that it has so adjusted the tax bands that it has eliminated a considerable number of persons from the tax roll. But, at the same time, we have over the past three years significantly pushed up Consumption Tax on almost

every possible commodity, raised bus fares 200 per cent, imposed Stamp Duty on almost every conceivable transaction, sent land taxes sky-high, imposed levies on agricultural land and doubled, in some cases quadrupled, the contributions to National Insurance. All these are forms of imposition, and they eat into the purchasing power of the people, so what the people have gained on the swings, they have lost doubly on the roundabouts.

I have made a careful and thorough examination of this Budget that we are debating today, and I am unable to find any measures that would make a significant impact on employment in this country. I would have thought that any Government, not even one calling itself socialist, would accord the highest priority to the employment of its people. The Government continues to pay lip service to employment, but its words are not marked by action.

The Minister of Finance says here in this Budget that the best means of dealing with unemployment is still to reduce it by investment. I concur with that view. But what investment is the Right Honourable Prime Minister speaking about? Investment by whom? By the Government, by private industry, or by a combination of the two?

Government's investment in this area is usually on a project basis and, of course, we need it in order to assist with the work situation. Private industry's investment in this area is usually determined by the amount of profits that industry makes, that it is allowed to make, and we also need that too. But this Budget contains no incentive that would act as a spur to private industry, and would encourage it to expand and open up employment prospects.

I want the Government to cut out the rhetoric, cut out the specious and meaningless phrases like: "I have maintained taxation and with it the Government will produce employment" — those are the words of the Right Honourable Minister of Finance — and let the people of this country have meaningful enterprises, both in the public and the private sector, that will have a real impact on the employment situation in this country. It is not enough for Government to have a few projects here and a few projects there. According to reports, the post office project is nearing completion — I understand that it will be opened in August of this year — so we are now left with a small road improvement project at Bridge Road and a \$60 million project at Church Village — and the labour content in that latter project is relatively small. The Government has got to create the economic climate that will ensure the economic health of those willing and able to provide employment for people, and that would lead to expansion and growth and take the army of the unemployed off the streets.

It is a matter of grave concern that there are hundreds of young persons unemployed who want work and cannot find work. I am not speaking of the voluntary idle. In a couple of months' time, another 5 000 individuals will join the labour market, and that is the position year after year. There are countless persons, old and young, male and female, particularly female, who have been laid off from their employment because their employers, individuals or companies, are themselves struggling to survive, and those persons cannot find alternative employment. It is not at all uncommon to find a whole household out of work, husband not working, the wife out of a job, rent unpaid and threatened with eviction.

People who at one time felt that they had some job security working with the Government, have recently had a rude awakening. Government has now become the pace setter in the laying-off of workers.

Aside

Mr. P. M. GREAVES: I hear the word "No" used, but, I believe that I am right in saying this if the reports that we hear and read are correct. Hundreds of persons have been laid off at the Ministry of Transport and Works. Persons have been laid off by the Ministry of Health, the Aedis Egypti personnel. Persons have been laid off in Government corporations. There is the Barbados Marketing Corporation which, unceremoniously, dismissed nearly 100 workers. There is the National Housing Corporation. There is the Soil Conservation Commission. There is the Agricultural Development Corporation and, of course, there is the Sanitation Service Authority that recently sent home a significant number of persons who used to clean the public baths.

These workers have families to support. Some of the more enterprising ones have bought homes and they have taken out mortgages on those houses, and they are now at a loss about what to do. Some have come to me to see if I can assist them in getting their jobs back. But it is the policy of the Government to lay them off, so lay-off, apparently, is what they will get.

Never before has this country had such a large number of workers put out of work directly by the Government, and the other sectors as well. There is hardly a week that we do not hear of the closure of some factory, and, frankly, the tone of the Minister of Trade gave me the impression yesterday that he was very glad to see some of them go.

The hotel industry is in serious trouble, and here too we have had lay-offs. We have had dismissals by persons who do not want to pay severance pay. We have had reduction in the work week. At Cable and Wireless countless workers have been sent home and the same applies in the world of business. It is a very sorry picture. 12.55 p.m.

We get the feeling of impotence on the part of the Government, and we are fed conflicting reports about the statistics on the unemployment situation in Barbados. It is time that the Government come cleanly with the people on this issue. The Prime Minister himself has in recent times trotted out different figures — apparently dependent on who his audience is. At one time unemployment is almost in single digit figures, but we are told in the Budget that it reached a height of 15.8 per cent of the work force, a percentage, despite what the Minister of Labour is saying, that is higher than when we left office in 1976.

Sir, the Government owes a duty to these people. It has an obligation to get these people back to work. I think that is what is important now, and I see nothing in this Budget that will assist in achieving this end.

I agree with the Prime Minister when he says that recourse to the Severance Fund and the Unemployment Fund is not an answer and cannot be a substitute for a job. But at the same time, and especially at this time in the prevailing job employment market, when the workers who are laid off need every cent that has accrued to their benefit, I think they need, now more than ever, the Severance Payments Act.

Some time last year, we debated a change in the Severance Payments Act, and Government came down early this year with an Act to impose a tax on severance payments benefits. We warned the Government at that time against such a measure. We opposed it, because we believe that it was wrong in principle, and we also felt at the time that it was merely the thin edge of the wedge. But little did we know that it would not be a few months before there would be further interference with the workers' accrued rights in this respect. Quietly, and sneakily, the Minister responsible for Labour has made an Order limiting the maximum basic pay to \$506 payable to workers. Previous to this, the basic was unlimited.

Mr. DEPUTY SPEAKER: That has now brought you to the end of the allotted time.

Mr. P. M. GREAVES: Mr. Deputy Speaker, I thank you for reminding me that my time has come to an end, but before I take my seat I hope you will allow me to make this point. The honourable Minister is saying that is not true. I have an Order here in my hand, made on All Fools Day, 1st April, 1984, signed by DeLisle O. Bradshaw, Minister responsible for Labour, limiting the weekly basic pay to \$506.

I regret I am unable to develop this point and other points that I had intended making in this Budget, particularly about matters pertaining to my constituency, but I have no doubt that that opportunity will come my way at some time in the near future.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Deputy Speaker, I beg to move that this sitting be suspended for one hour.

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.

1.00 p.m.

ON RESUMPTION

Mr. DEPUTY SPEAKER: This sitting is now resumed.

Mr. N. K. SIMMONS (St. James South): Mr. Deputy Speaker, I have in previous years held the view that it was unnecessary for every Member of this Honourable Chamber to speak on the Budgetary Proposals and Financial Statement of the Honourable Prime Minister and Minister of Finance. However, in my opinion, the state of the country is such that it is incumbent upon each and every Member of this Honourable Chamber to try and explain to his or her constituents exactly what is the situation facing the country at this present time.

Having listened to a number of honourable Members on the other side, I have come to the conclusion, and I am more than convinced, that they have lost touch with reality, because politics is about people, and all we have heard from them so far is the theory.

The people of this country know full well that all is not well. There is wide-spread unemployment. The Government's figures indicate that it is some 15.3 per cent. I am not quite sure how these figures are computed, but I believe that the Honourable Prime Minister has used the term "voluntary idle". If we were to add that number to those who are unemployed, because I hold that those who are unemployed according to his statistics do not include that number, then one can safely come to the conclusion that those who are really unemployed should raise the figure to between 23 per cent and 25 per cent.

If you were to walk around your constituency, as I try to do from time to time, you will notice that there are a large number of people who are unemployed, and the figure must be higher than 15.3 per cent. Large lay-offs are the order of the day. In Government agencies it is not two or three at a time, but 75 or 100.

The educational system in the country is most disturbing for most of us. I believe that all of us in here have relatives, if not children, who are attending school, and we must feel concerned as to what is going on in this area at this present time. The future for our young

people looks very bleak, and it looks even more bleak now that the Honourable Prime Minister has seen it fit to raise the retirement age from 60 to 65. Those who are leaving school, some 4 000 yearly, must feel that the opportunity to work is much more remote now than it ever was.

Teachers feel uneasy. The Secretary of the Teachers' Association said recently that the morale among teachers is at its lowest ebb. We have to believe that. That is not the view of the Opposition, that is what the Secretary of the Teachers' Association has said.

The threats to the doctors over the introduction of the National Health Scheme might see the exodus from our shores of a number of the more competent doctors and medical men. The trade unions feel that there is a concerted effort to remove them. Small businessmen have never had it rougher, we can go on and on. In tourism and in housing, there are no loans. Those who work in tourism are finding it even more difficult, and at the height of the season we find people who work week on - week off. We can go on and on.

My advice to this Government is to try and place their ears closer to the ground, come out of the clouds, place their feet solidly back on the soil and listen to what is happening in the country. I would suggest that we get back down to the bread and butter issues, because that is what is affecting the people at this time. People are not working; they are not getting a weekly wage.

Yesterday evening I heard an honourable Member talking about the average per capita income, and he mentioned some \$7 000 or \$9 000. That is totally irrelevant to the young lady who works in a factory and gets \$60 a week. It is pointless telling people about these things. They do not understand. It means nothing to them.

2.05 p.m.

They are interested in whether or not they can get a job for themselves or their children, or whether or not they pay package can meet their commitments when the week comes.

I want to deal more specifically with education. Quite frankly, so much has been happening in education over the last two or three years that it would take about two days to deal with that. Where do we start? We have heard a lot about zoning from the manifesto of the Barbados Labour Party. Even in the recent publication of the Development Plan, we notice that they are still bent on that course. Every other body associated with education in this country has advised against a system of zoning, because there is severe inequality in the school system. There can be no zoning unless the schools are equal in facilities and everything else. It is useless at this particular time, and this party will not support

zoning. It is strange that although we talk of zoning, there are not equal marks for schools. The older secondary schools, although the other side does not like that term, have higher marks than most of the newer secondary schools. So you will find, in effect, that the youngster who lives in Crumpton Street, next to Harrison College, might never ever get the opportunity to go to that school, because of the marking system. That, to my mind, if you are having zoning is bad. There must be equality.

They have spoken of zoning at the secondary level. But my investigations have revealed that, rather than moving closer to zoning, they are moving farther away from zoning. Let us look at the situation which prevails in the primary schools. There are no all-age primary schools in St. Michael. So we have a situation developing at this present moment whereby children leave the Ivy, take two buses and go to St. James to attend primary school. When we were coming up, the common thing was for us to go to the primary school in our area. That was zoning in a practical form. You are preaching zoning, but you are not practising it. You are not consistent.

I should like to know why there are no all-age primary schools in St. Michael. We have children going from Bridgetown to the Good Shepherd School in St. James when they are thirteen and fourteen years old because there are no all age schools in St. Michael.

I want to touch on the question of the Eleven Plus examination. The Eleven Plus examination should have been abolished some time ago, according to the manifesto of the ruling party. But stuck away somewhere in the new Development Plan, I notice that the Eleven Plus examination will not be done away with in the foreseeable future.

An Advisory Council on Education has been set up. But lo and behold, without the advice, as I understand it, of the Advisory Council, and against the wishes of the teachers' unions and the PTAs, we have had the introduction of what was called a General Paper in the Eleven Plus examination. And despite the fact that only 10% of the marks will go to the General Paper, the fact is that the General Paper is a disadvantage to those who come from the lower echelons of society.

I believe that if a youngster can read, and read well, and understand what he is reading, there is no need for a General Paper at this time. What we should do is to concentrate on what the older people would call the "three Rs" and they would do much better. But if you were to be involved on a practical basis with children who are leaving our primary schools and going to secondary schools, you will notice that over the years their English

has fallen apart. When I went to school, I thought 5A was a master form. When anybody was in 5A or 5¹ then, you were tops. Today in 5A, they can hardly write a sentence. They can hardly spell.

(Hon. Miss B. A. MILLER: That is the fault of the Democratic Labour Party's teaching policy.)

Mr. N. K. SIMMONS: If that is the fault of the Democratic Labour Party, then it seems to me that the Barbados Labour Party is doing nothing, absolutely nothing to solve the problem. They are aggravating the problem. After eight years, it is a burning shame to hear that they have done absolutely nothing about it. If you can diagnose the problem, you should try and get a solution and not aggravate it, so that is your problem.

You see, a problem which we are facing in this country is that the ruling party is looking back all the time. This country is supposed to be going forward, not backwards. Everytime they get up to talk, they talk about 1971-76. It is near the year 2 000. What plans are they making for the year 2000 for this country?

After the Eleven Plus examination, there is the question of transfers. Now we have heard and read a lot about transfers in this country. I have researched the 1981 Education Act and the Regulations.

Mr. DEPUTY SPEAKER: Now, the honourable Member cannot be hoping to go into that matter. The question of transfers and the 1981 Act are before the courts of this country, and are therefore *sub judice*. The honourable Member will not be able to comment on them.

Mr. N. K. SIMMONS: Mr. Deputy Speaker, I am not commenting on

Mr. DEPUTY SPEAKER: I have made my ruling and I will not be questioned on that.

Mr. N. K. SIMMONS: I said I am not commenting on it. As I understand it, in order for a youngster to leave a non sixth form school to go to a school with a sixth form, it takes some six weeks under the present procedure. As I understand it, he has to go through the Ministry of Education.

Mr. DEPUTY SPEAKER: The honourable Member will not be able to deal with transfers. The honourable Member knows full well, as a politician and as an attorney-at-law, that the whole question of transfers is now before the courts of this country. I will not allow him to deal with transfers while I am sitting here. I have to follow the Rules of this Chamber.

Mr. N. K. SIMMONS: As you please, Mr. Deputy Speaker.

In the present system where schools are requiring staff under the new Act, as I see it, it means that the Boards of Management and indeed the headmaster have little or no say in the recruitment of staff.

Mr. DEPUTY SPEAKER: The honourable Member must try to understand what I am saying. If he does not understand, I will read May's Parliamentary Procedure for him.

The honourable Member is fully aware that the question of the powers of headmasters and Boards are the subject of court matters. The Chamber is not allowed to debate those matters which tend to prejudice either side. That is the ruling of May's. I am not going to change it.

Mr. N. K. SIMMONS: Mr. Deputy Speaker, I abide by your ruling. I am saying.....

Mr. DEPUTY SPEAKER: Let me explain what I mean to you, please.
2.15 p.m.

Mr. N. K. SIMMONS: Mr. Deputy Speaker, I will abide with your ruling and go on, rather than delay any further.

We have noticed that the ruling party has created severe problems for our children in the area of education since they have taken over the reins of Government. We noticed the introduction of an increase in bus fares, which we on this side still feel very strongly about. Very often people in this country tend to forget, but it is the duty of this party to remind people of the effect of certain forms of legislation on the people of this country. I want us to cast our minds back only a couple of months ago to the introduction of increased bus fares, which moved from \$1.00 to, in some cases, \$4 a week, and the adverse effect that had on the families. We can recall most vividly some children squatting, I call it, at the Parkinson School, who were supposed to journey as far as West St. Joseph, for the simple reason that they did not have that bus fare.

I think that a calculation will reveal that the increase in bus fares in some cases went to 600 %. That might be alright in a situation where a family might be earning \$400 or \$500 a month, but where in many homes the income is on average \$120 a week, \$12 or \$15 is a large slice, and it might mean in some circumstances either going to school without lunch, or not going to school and having lunch, or not going to school for the lack of uniforms, shoes, shirts, or pants. I believe that the Government can do the school children of this country a good turn if they were to have a re-look at the question of school bus fares.

I know that after the introduction of the increased bus fare, there was some discussion about people going to the Welfare Department and applying for some subsidy. With that I have a quarrel, because it was not left to the parent, it was rather strict. The first child in the family would get this subsidy, but that does not mean that the first child in the family spends the most money on bus fares, because there are some children who have to take two buses. If you live in St. Lucy and go to Lodge School, you might have to take three buses, and that child would pay more money in bus fares, whether it is the third or first child than another child in the family.

It would have been better if the family had been given an opportunity to decide which child could get the award. But this is how the Government operates. This Government operates on the "we are ruling" principle. As one member said yesterday, "we are here to govern and when we are here to govern, you do as we say or do not do." A simple matter! But that is not what it is about. Politics is about people. It is about co-operation, discussion, and then coming to some sort of conclusion. It is not always that you agree, but once you have discussed, you can reach what can be considered a happy compromise.

Very often when people have made an input, even if they do not get their way, they feel that at least people have listened to them, and that is what politics are all about. Here, too often we hear from the other side that they are here to rule, they got a mandate from the people. A mandate from the people does not mean that you do not go back to the people from time to time. It means that you are in constant consultation with the people, so that when you reach a decision, you know that it has been canvassed fully. One of your problems is that you do not do that.

Another area which is of grave concern, despite what you may say, or the excuses or reasons given for it, is the question of examination fees. We can recall very well when they were introduced. The honourable Minister at a Speech Day out of the blue, so it seemed, came up with the imposition of examination fees; \$30 for some and \$40 for others. What was the reasoning? We heard later that it is because students were not turning up for examinations, or that some students went into the examination room and left without writing a word. Am I to understand that we are going to penalize everybody because there are some delinquents?

Where is the justice that we talk about in this country? I say that if after the teachers have given their word as far as who should take the examination or who should not take it, or the likelihood of who

should pass or who should fail, and a child is recommended for examination fees, he or she should be made to pay. When the results come back and that child passes the examination, then that child should be refunded. That to me is more fair. But to suggest that all children should pay because some do not turn up, to my mind is ridiculous. That is how we get — "we are here to rule and you do as we say".

Do you know what was even more harsh? It came about three weeks before some students' names were submitted, and there were a number of parents running around begging to borrow money for this. Therefore, we have got to think in terms of whether or not we are giving quality education. The Budget talks about quality education. You are denying them of the education which they are entitled to and we have got to be very careful.

I am sorry that we cannot comment on other areas of education because these are matters which are very pertinent to the discussions which are going on in this country at this time. But we in this party are committed to an educational system in which people who are educators will be allowed to run the schools as they see fit. Too often we are finding that this area is being removed, and this we cannot allow. We believe that wherever there should be change in education, we should listen to the people who are in the forefront of education, the executive members of the PTA and educators of the community. We should canvass the people, because education is vital to the future of our country. The boys and girls of today are the rulers and leaders of the country tomorrow, and we must ensure that, wherever possible, to gain the confidence of those youngsters, we should direct them in the paths which we realize will lead to a better Barbados. We should not frustrate our efforts so that in the future they look inwards and do not perform as we expect them to perform. We are only here for a short time, and in the not too distant future those youngsters who we have been depriving or neglecting, and in some instances been victimizing, will one day come up and want to rule this country. Therefore, we should give them every opportunity to be made better citizens.

I want to turn to the question of unemployment. Every youngster who is attending secondary school desires a job at the end of his school life. What has this Budget done to stimulate employment in this country so that we who represent the people in our various constituencies can say to the young people that in one or two years there will be some likelihood of them gaining employment? There are some 4 500 children leaving school, and I have come across at least one case of a girl who has three GCEs who has got to be a maid, and yet there are some persons who might want to tell us that young people do not want work.
2.25 p.m.

The fact of the matter is that the Honourable Prime Minister and Minister of Finance has not addressed himself to the question of creating employment. He talks glibly about creating jobs. I remember some two or three years ago when he was talking about off-shore banking he said that would create 4 000 jobs. I believe it has created four jobs for non-nationals. I have not yet heard how many jobs the offshore banking has created. I have heard lately that the new road to be built over the next two or three years is supposed to create 600 jobs. From our experience of what happened with the Spring Garden Road, which is just about a mile and a half long — about 20 people worked down there at any one time — there was more machinery down there than there were workers, and the same thing would of necessity apply to the new highway.

The fact of the matter is that you cannot go around telling young people that because you build a road, you expect 600 jobs. They would want to know how you are going to employ these 600 people, so nothing in this Budget has addressed itself to what I consider to be more pertinent issues facing people in this country, especially young people, and one is the question of employment. It is a question of bread and butter, and that is what is important at this time.

Mr. Deputy Speaker, I have run out of time, unfortunately, and I want to thank you for hearing me.

Mr. J. G. ODLE (St. George North): Mr. Deputy Speaker, I rise to support this Resolution, and in doing so I believe it is in order that I pay some special tribute to the Prime Minister and his advisers, those in the Government who prepared the document, and of course the advisers whose work we see in the contents.

A lot has been said in this debate, very little of it dealing with the economic situation in the country. We have had some political grand standing. Sometimes I wondered whether the campaigning was about to start, or if it had started already. However, I would like to comment very briefly on some of the things which I believe are of great interest to the country and which are for the welfare of the people of Barbados.

I hear coming from the benches of the Opposition, in particular in the speech of the main spokesman for the Opposition, the talk of disillusionment, discontent, alarm. He seems to be the only person to whom people complain. It seems as if the whole island rings him up and keeps after him complaining.

He talks about political victimisation, he speaks of debts in the country, political influence in welfare housing. He talks about corruption. He says that there is a total erosion of public confidence in everything in this island except the judiciary. I really cannot accept that,

and I do not think anybody really can. I would suggest that he takes a little more care in how he speaks. Does he intend to discredit the churches and the police? Does he extend it to the Civil Service, the teachers, to the trade unions? Does he include himself and the medical profession? I do not think he really meant that, and I would certainly like to hear him on this when he replies, or whoever will reply for them.

Of course, he must be including the business community. I doubt he could have meant that, because he tells us in his speech that he intends to walk hand in hand with them. We in this party walk hand in hand with the people of this country, whether they are businessmen or professionals. We work for the country as a whole, we have no special interests to protect. We consult them on all matters, and I believe we have the confidence of all the people in this country, even if at times there are those of them who are not particularly happy with some of the measures we bring forward.

I believe the consensus is that this Government has done as well as it could have done in the circumstances, using the resources of this country in the best possible way. So I must discard, and I ask and encourage honourable Members to disregard in its entirety, the reference which the chief spokesman for the Opposition has made about the attitudes of the people of this country.

I am very pleased about how things have been going. I notice that a lot of stress has been placed on unemployment, but I am sure that those on the Opposition benches know that this Government, just as theirs when they were in power, cares for the people and realises that it has to do everything in its power to find work for our sons and daughters, and sometimes for our old people too. I believe that those old people who can work must also be given a chance to work.

I must declare an interest in the business of cement. Everybody knows that for years I have had an involvement and interest in it. The cement plant which is being constructed in the northern part of this island is a project which will bring further employment to the people of Barbados, even if not directly, certainly indirectly.

I am not concerned with who conceived the idea of the cement plant. I remember that when I was a boy a man called Freddie Miller and his brother were talking about cement plants. The fact is that this Cement Plant has been built with money coming from the taxpayers of this island, along with our colleagues in Trinidad and Tobago, and that will have a marked influence on the economic conditions in this country. Let there be no doubt about it.

2.35 p.m.

That project should be regarded as an essential service, and I want to congratulate all those who have had a hand in putting it together at whatever stage. I want it to be understood that it should operate at a profit. It should be made to pay for itself, and nothing should prevent its proper and profitable operation.

It is a credit to all Barbadians. There were some people who were a bit dismayed about it, who felt that it might not have proceeded successfully, but all the doubters now accept what has happened and how well it is going. It will improve the employment situation in Barbados, and I believe that it will have an effect on our foreign exchange.

Some time ago most of us went to Oistins to see the opening of the Oistins Fishing Project, which, I believe, is the brainchild of the Deputy Prime Minister. I may be told from the other side that it was their brainchild, but that is not a very important matter. The fact is that the Oistins Fishing Project has made a remarkable imprint on this society, much more so than most of us realize. Not only was I impressed with the remarks of our Deputy Prime Minister when he told of the thousands of pounds of fish that are coming through there, but it is a pleasure for any man in any part of the world to go inside there and see how clean a place it is, how well organized it is, and to see the fish coming off the ice in a proper state.

This will have the effect of creating work for people who want to sell fish or bone them. It must have – and again I must declare an interest because I am a businessman – a very important effect in the marketing and exportation of fish, in which, again, I have some involvement, a very serious interest. All these things must inure to the benefit of Barbados and Barbadians, and we must give all those who are responsible, the fishermen at sea, the boat owners, the boners, the credit which they deserve; and, of course, the Deputy Prime Minister, who obviously worked behind this with all the vigour and energy available. So when we hear that we in this party are not doing anything to help the employment situation, nobody can take them seriously, not at all.

Then, there is the question of the social welfare of our people. I notice an attempt to play down the fact that pensioners are getting an increase. They are not against it, nobody is opposed to it, but it certainly does not matter too much! The honourable Member for St. Michael South Central, my colleague and friend, would rather make reference to an increase for funeral benefits. But let us consider what it means to the pensioners in this country whose pensions have increased from \$40 to \$50 in the case of contributory pensioners and from \$33 to \$40 in the case of non-contributory pensioners. Truly, we all know it is not a lot of money, but, nevertheless, it

is as much as we could do at this time, and those who do not appreciate it, I would ask them to understand that we are doing the best we can at this particular time.

I take it very seriously that old people are benefiting from this situation and there are young people who can well afford to help the old people, but would want to come in and use the electricity and use the water and not make any contribution. I do not believe in that, and I urge all people to pull their weight and to give a helping hand in situations such as these.

I notice with pleasure that there is also some little help to the private schools and to teachers in such schools, who are also being given an increase in the subsidy. These things do help.

We are taxed. We all agree that the taxes are heavy. The honourable Member for St. Michael South Central — again I cannot help but refer to his speech — how could he expect that you could run a country by giving tax deductions to everybody? That is what he is telling us. He will have no tax. We know it is hard, but I do not think that anyone could honestly say that the money derived from the taxes was not spent properly.

I, on occasions, have given my own Government some bad criticisms and some jolts because I have been demanding roads for my people in St. George time and time again. It would be most uncharitable and dishonourable of me if I did not on the floor of this House say thanks on behalf of my constituents who have so far benefited for the work that we have been having in St. George, and I speak of the residents of Belair and Paradise in Market Hill. We know that this has taken a long time, but we have arrived, we have got there. They have had the water some time ago, the electricity, and we have got some beautiful roads up there.

I am not altogether happy about one aspect of it, but the fact is that the base is good and there is barber-green on top. I would have preferred a smoother finish, quite frankly, but it is good enough and it will do. I am sure that their brothers and sisters from Thorpes Cottage and Cottage Tenantry will not have to wait too long. I will still be behind the Government and the Minister, because it is very very bad up there, but I have confidence that these matters will be attended to.

2.45 p.m.

Mr. Deputy Speaker, street lights are necessary and I am only asking the good people of St. George to bear with us a little longer, and these benefits will come. That is where the money is going. Already we have had a very good widening of the road in the constituency of my colleague for St. George South at Boarded Hall coming through into my constituency in St. George North by the church. I will let him speak for himself; I will not take

the thunder from his speech. The point I am really making is that not only in St. George, not only where the people have voted in favour of the Barbados Labour Party, but in all the constituencies we are there to help the people, and help them we will.

I have no intention of making any long-winded speech, but I certainly would like to hear an explanation coming from the other side of the matters to which I have adverted.

Let me just say in winding up that I do not see where there is, in fact, any loss of confidence by the people of this country in this party and this Government. I have not seen or heard, and I keep my ears very closely to the ground.

I know that the people out there are always looking at us in here and they are always looking to see to what extent we justify the support and the trust which they have reposed in us, and they are always looking at who is the leader and who are potential leaders. Nobody can fool them. They know how to sieve the chaff from the wheat, and if anybody has anything to worry about as to how the people out there are thinking and looking, it is not this side at all. They are looking very much on the other side.

I must conclude by saying again how pleased I am with the Prime Minister, the Deputy Prime Minister, the Cabinet and the advisers to this Government and all those who had a hand in preparing this Budget, a Budget that was not a give-away Budget, but a Budget which was businesslike, truthful, which reflected the ambitions of this party and this Government, and which enshrines our commitments to the upliftment and betterment of the people of Barbados.

Hon. V. L. JOHNSON (St. Michael West Central): Mr. Deputy Speaker, after listening to honourable Members on the opposite side during yesterday and part of today, I have reflected on what they have had to say, I have weighed their speeches, and in searching for a theme on which to begin my response to these Budgetary Proposals, I was constrained to recall a quotation:

"The greatest want in this world is the want of men Men who cannot be bought or sold, Men who will be as true to duty as the needle is to the hole Men who would stick to principle and rights though the heavens fall."

This exercise in which we are now engaged is not an exercise in economics as the economists would tell us; it is a matter of principles. It is not a political exercise, because too many departures from principle have occurred in the name of politics. I rather regard it as an exercise in ethics. It is an exercise in principles, in which we as God's Ministers are engaged, not Ministers of the Gospel

but ministers of the people, guardians of their destiny and captains of the ship of State in which we sail.

Yesterday evening, we listened to a litany of woes enunciated by the honourable Member for St. Michael South Central. Having heard the Budget, the only thing he could find upon which to base his response was that the Barbados Labour Party's Minister of Finance, having presided over the destiny of this country for the past five years, was bringing nothing but woe, concern and deprivation to the people of Barbados. He said that never before in the history of this country has there been so much disillusionment and discontent as there is today. He said there was great concern for the lack of moral dimensions, that there was widespread quarrelling and complaint about the universal starvation of the people and their children.

2.55 p.m.

I had a great deal of difficulty trying to determine the country of which he spoke. I live in this country, as other Members do, and my feeling is that unless one departs a long way from principle, one is bound to conclude that our people are among the best fed, the best housed and the best clothed people anywhere in this hemisphere. This is not a figment of my imagination. These are the essential facts of life in this country. Those who have eyes to see, and those who have principles upon which to base their utterances, would be able to form those conclusions.

I should like to discuss employment policy as it relates to social change and upper social mobility in Barbados. The employment policy of the Barbados Labour Party is not new. It is rooted in history, because it was the Barbados Labour Party that broke the fetters that bound the people of our country, and forged the carriages of freedom upon which our people have been able to flee from the morass, moral degradation and social deprivation that characterized the 1930s and early 1940s.

Out of 1938 a new day was born, and our people have never looked back, except in those trying years between the period 1961 and 1976. When the people of Barbados had had enough, and when they harped back to the times when times were good, they summoned up the guardians of the Barbadian heritage and the custodians of all that is good in this country and they entrusted themselves once again to the enlightened leadership of the Barbados Labour Party. I believe that, God willing, they will be with us for a long time, because even though we can sit in here and fool ourselves and try to fool others about what is going on in our country, the people whom we are sworn to represent are aware of the facts and they know what has been happening through the years.

The old age pensioners recognize the essential distinction between \$13 a week and \$40 a week. We do not have to summon the economists or the political scientists to explain to an old age pensioner that she is three times better off, in terms of real dollars, than she was in those times when she was getting \$13 a week.

Our employment policy has to do with the fact that we have always maintained that the people of Barbados ought to be, should be and must be gainfully employed in order to care for their material wants, and in order to satisfy their aspirations for the things which are important to us in this country. It is for that reason that we have always said that an enlightened employment policy is not based upon people massing themselves in Government institutions, just for the sake of creating the illusion of work, but that we must provide the mechanisms through which our economy can take off. We must be able to allow people to find gainful and meaningful employment that not only rewards them economically, but gives them a sense of satisfaction when the day is done.

The employment policies of Barbados have allowed us to take the unemployment position from what it was at the worst time of the Democratic Labour Party in 1975, when over 22% of the employable people in Barbados were without work, to the position where it is today.

Our employment policy relates to a very enlightened and interlocking programme of social security for our people, because we recognize that when the old among us are no longer able to carry on, they must be provided for, because their wants, their needs for sustenance in life do not end at age 65. It is for that reason that we have a most generous welfare programme for the aged, a welfare programme that does not only include \$40 a week in terms of a subsidy, but also includes free transportation on the public transport service, whenever they want to travel outside of the rush hours. It has to do with an enlightened and sophisticated, caring and humanitarian medical health programme that puts health service within the reach of those persons who, otherwise, would have to go through life without the availability of these services.

Our employment policy has to do with our concern for the youth of our nation. When young people leave school, they are for the most part not equipped for gainful employment, because the bulk of our programme for many years has centered around the academic subjects and we have not been paying as much attention as we ought to have been paying to the more sophisticated evolutionary sciences, such as computer technology, that are now beginning to come on the mainstream. In order for our people to be prepared to take the opportunities that will now become available, it is necessary for us to

provide them with the skills that will enable them to make good use of these opportunities as they come about.

It gives me great pleasure to be able to reflect upon the time, short though it was, that I spent in the Ministry of Labour. I can recall visiting the Sayers Court Skills Training Programme and seeing a young man in a wheel chair benefiting from the Skills Training Programme at Sayers Court in the area of upholstery. That man, had it not been for the Barbados Labour Party's enlightened approach to employment policy, would have had to spend his days perhaps on some corner of Broad Street begging. But we equipped him, in spite of his handicap, with skills that would enable him to gain employment.

I was equally proud when I saw him featured in the local Press not too long ago at his home, I believe it is in Ellerton, St. George, taking in work from the people in the surrounding district. A man working from a wheel-chair, gainfully employed, plucked from the burning had it not been for the Barbados Labour Party! That is the employment policy of this Government!

You will hear people, from time to time, seeking to make cheap political points on this matter of unemployment. They seek to characterize this Government as a Government that is insensitive to people and one which sends them off without any consideration.

Because we recognize that social change is a matter with which we must deal, we have taken every precaution to make sure that persons who find themselves out of work, for whatever reason, do not have to go home and languish in despair, or end up, as the honourable Member for St. Michael South Central fantasized yesterday, in the bowels of despair and deprivation. They can go to the National Employment Bureau and find a subsidy almost as large as that for which they worked, in the first place, in order to tide them over that period during which they can then search for, alternative employment. That is the programme of the Barbados Labour Party.

We are not in the least frightened when they run around the country and seek to prejudice the minds of people by telling them that people are being laid off in certain non-essential areas, or seek to characterize me as an ogre from the black when I merely come in here and point to the fact that social change is overtaking us; and that at the Transport Board, for which I have responsibility at the moment, in the future it is necessary for us to look at finding ways to bring the Transport Board more comfortably into the realms of those institutions which are properly managed and efficiently run.

If, because of the past, we have people who are no longer suited for certain tasks that have to be performed, we must not be afraid to tell the people that change will

have to come. What we will tell them is that that change will not find them flatfooted, but because of the policies of the Barbados Labour Party, we are going to find a humane way of phasing in the new and phasing out the old.

3.05 p.m.

They come in here and bemoan the fact that the Transport Board has lost \$75 million, so they say, over the last several years. When we seek to redress that problem, they say that we ought not to redress it, because they are essentially cowards. Out of one corner of their mouth they say something is wrong, but they will never be able to find the courage to say what is right, or how it ought to be accomplished.

We in the Barbados Labour Party are managers of the people's destiny. They put us here to manage, and even though sometimes the policies which we follow will be, in a short term, unpopular, we feel sufficiently committed to principle that we believe that, in the long run, the people of Barbados will vindicate us and tell us that they recognise what we had to do and why we had to do it, and they will give us marks of approbation in the final day.

Now we come to the question of a transport policy. Out of one corner of their mouth they condemn us because we are about to spend Bds\$60 million to rehabilitate the national highways. They tell us that we are wasting money. They do not understand that this is a growing, dynamic society, ready to take off on the wings which are out-stretched and flapping. In order to be ready when this take-off happens, we have to have the infrastructural resources so that that take-off can be smooth, and so that we can lead Barbados out of this century and into the century which we are about to go. In order to accomplish that, we have to recognise that our transportation policies of the last century are no longer viable in this century. We have to improve our highways, and the only way we know how to do it is, to do.

They talk about ideas. We talk about action, and they have not seen anything yet. If they are marvelling at the fact that we are going to move the highway system in Barbados, their mouths are going to hang open when they see that highway that stretches all the way from the harbour to the airport, ushering Barbados firmly and forever into a new era, from the 20th century and 21st century. We are going to be ready and in place when the opportunities of the future come our way.

The highways are unsafe. Our roads are inadequate. They are unsafe because they were designed at a time when the national mode of transportation was the donkey cart and the ox cart, and matters of sight lines were not important because the speeds of those carts were slow.

But when you talk of cars, buses, and trucks moving at the pace at which they now move, a corner which was perfectly safe ten, twenty or thirty years ago, that is a deadly corner now. It is for that reason that we have committed ourselves to take out the bad bends and the dangerous intersections, so that our people are not butchered on the highways of this country; that they serve the purpose for which they are intended, that is to move goods and services from one place to the next and move people from the place where they live to the place where they work, because without highways there cannot be any work.

The next problem in our transportation policy has to do with our buses — a massive public transport service. I am not proud of the Barbados transport service. There are too many legitimate opportunities where people can complain about the bad service which we are giving to the public. And that bad service does not come because we do not have capital resources, because we have just bought over 160 brand new buses for that service.

But buses do not make a national transportation policy. We have to have the managerial capacity to manage those resources. We have to have the human resources to effectively discharge those functions, and the day when conductors and drivers can get on the buses and curse and abuse the public of Barbados are gone forever. Any man who feels that it is his God-given right to abuse the traveling public will have to shake in his boots, because he will not be able to function in the transport service to which this Barbados Labour Party is committed.

This is the policy which I enunciate fearlessly, because when I have come to the end of my career as a public servant, I have only one wish, that I can be able to live freely with my conscience and with my God, recognising that I have done my duty well. I serve the people of Barbados, and I am going to serve them as my conscience and God dictate that I should serve them, and no man is going to drag me down from the heights to which we aspire down to inefficiency. It will not happen in this Government.

I speak about the face of change, a changing social policy, a changing transportation policy, a changing social service policy. We the people are the masters of change in this economy. Those gentlemen on that side sit down day in and day out and talk about what they dream about. We dream dreams that never were and execute them. That is the fundamental difference between that party and this.....

Asides.

Hon. V. L. JOHNSON: Mr. Deputy Speaker, I do not expect the honourable Member to be able to know what it means, because I am surprised that he, a distin-

guished Barbados Scholar, can so frequently, when it suits him, suspend his better judgment and allow lesser mortals on that side to drag him down the levels in which they seek to revel.

I expect the honourable Member for St. Michael South (Mr. L. E. Sandiford) a scholar by any man's standards, to behave like a scholar at all times. He did not behave like a scholar yesterday. The honourable Member for St. Michael South got in here and harped back to the days which he, I am sure, would best forget, and talked about the water resources policy and reflected upon the motives of the Minister of Finance for not increasing water rates this year.

Do you want to know why we did not increase water rates this year? We believe that the water rates in Barbados are high. We believe that by careful management of our existing resources we can keep water rates more within the resources of the Barbadian community than it has been or it threatens to be if we follow the policy left for us to follow by the honourable Member for St. Michael South. It was he, when he was negotiating with one of those external agencies, who allowed himself to be manipulated and manoeuvred into a position where he signed an agreement with the Inter-American Development Bank that called for an escalation in the water rates of Barbados. We had to say this year that we are not going to increase the rates this year, although the agreement that he left said that we should do so.

I firmly believe that when the time comes to negotiate with external agencies, we have to tell them what we want and what we can afford, and what we will tolerate. When they call on us to do things which we know are not going to be in the best interest of the people that we serve, we will tell them in plain, unadulterated English that we will not sign that condition, because it does not suit the people of Barbados.

I would like to tell the people of Barbados a little about transportation. I am coming back to buses for just a brief moment, and then I will speak about highways and our policy with respect to social dislocation as a consequence of these improvements that they are talking about.

3.15 p.m.

We have imported 20 of the finest coaches, which will land here shortly. We have imported them because it was our view that we have to have these buses in service at the shortest possible time to alleviate the problems that are being experienced by an increasing working public. If we did not have people working, we would not need any buses. It is because Barbadians are largely at work that morning after morning we have to leave people standing by the roadside. If they were not going to work

they would not have to stand at the bus stops. That is a fact you must deal with. These buses will be here shortly and they will be put into service.

I have committed myself and this Government to delivering a scheduled service by September 1. It is going to be the first printed service ever seen in Barbados. People will know when the bus is coming and where it is going. It will be a nice looking document that you can carry home and read.

I promised the people that we were going to have fare boxes by June 1. We have fare boxes now. Never mind you will have some people reflecting upon reasons why we have them, they are a more efficient means of collecting revenue, and it is for that reason that we have them. There is no sinister motive.

I am not going to be constantly saying what I have already said. When I speak, I speak, and that is that. My voice does not change depending upon resources. I am a man of principle. I speak what I have to say, I say it kindly, I say it firmly. I will not vacillate, I will not be willy-wallying. The honourable Member will recognise that that is not a Barbados Scholar's word.

What is wrong with politicians in this country, and in other countries as well, is that we are afraid to talk to the people that elect us. I am not afraid of my constituents. I talk to them and explain to them why we are doing things so that they will know. When people know why something is being done, they will put their trust in you, particularly if they see you do what you promised to do. That is why when I promised the people of Belfield Housing Area and Wavell Avenue an improved playing facility, even though it was a while in coming, it is there now for everybody to see, the finest example of a recreational facility anywhere in this island. When they see it they recognise that Vic Johnson is a man that says and a man that does.

When I came to that constituency — and I am still speaking about transportation — the appropriate form of movement down Wavell Avenue was a moses, because whenever the rain fell there was nothing but flood. People had to take their shoes off and wade through what was to be a highway, but not now. People who have always wanted to own cars and who had the means to own cars can own them now. They are quarrelling with me and with other Ministers on this side because we will try to take the people out of the degradation in which they live. I do not mind being indicted for providing the people of St. Michael West Central with roads on which to walk.

Mine is not a selfish approach. The honourable Member for St. Michael West (Mr. B. M. Taitt), if he were a man of principle, would be able to stand up in

here and say I did for him Prescod Bottom, a road which was nothing but a track. Who fixed it? This Government, under this Minister. The honourable Member for St. Michael North West (Mr. L. A. Weekes), if he were a man of principle, would get up and tell those who say we do not look after Opposition needs that it is not true, because I know for a fact that the Minister responsible for Transportation and Works in this Administration has fixed Odle Road and Dodson Land Headley's Land.

It hurts me to hear them get in here and say that we are only looking after ourselves. On this side of the fence my own colleagues put many stripes on my back because we are not able to get around to them, particularly the Member for Christ Church West (Hon. H. deB Forde), who has been crying in my ear about the needs of his people. The resources we have are limited, and we are not able to attend to all of the needs at once, but we are looking after them to the extent that it is possible and with the resources we have in hand.

Mr. Deputy Speaker, I turn to social dislocation as a consequence of road construction. We are about to build a major highway that will stretch to the airport. Honourable Members on that side have been seeking to put in the minds of people that when we put highways, we dislocate people, we take advantage of them and send them to drift. That is not a fact. If they were men of principle, they would be able to go up to St. Barnabas Heights and see that the people who were dislocated as a consequence of that road passing through are infinitely better off now in terms of their living conditions than they were before the road went through.

When we put the road through Airlie Tenantry that will go to the airport, the people who live in Airlie Tenantry, with their houses propped up on stones and with a little lean-to in the back, through which they have to go in the dark of night, rain, moon or stars; those people are going to have a proper groundsel, a house that is going to look like new when it is done, painted, with water borne facilities — that is, toilet and bath facilities — and their kitchens will have in cupboards, whereas now they will be outside propping up the pots on stones in the yard. All these are the social improvements we bring whenever we have to dislocate people, so when we improve their condition by improving their roads, we also improve the way in which they live. That is an enlightened policy by an enlightened Government that recognises that we are here to serve people.

This is the Barbados Labour Party of Sir Grantley Herbert Adams. Through the dark days when nobody had vision, he was able to spot a giant searchlight down through the distant future and light a path along which we have led our people until now. We have only reached a certain point in that journey. We have gone too far

to turn back. We will not be debarred or deterred from the purpose which we have. Ours is a commitment to improving the conditions of people. We rise by raising others, and the man that stoops above the fallen stands erect. That is the Barbados Labour Party. We have always based our existence upon an enlightened policy. Sometimes we walk an unpopular road, but we are not afraid to confront reality and let Barbadians know.....

Mr. DEPUTY SPEAKER: That you must close.

Hon. V. L. JOHNSON: that I must close. But finally, Sir, in the last minute that I have.

Mr. DEPUTY SPEAKER: The honourable Member is not in the last minute.

Hon. V. L. JOHNSON: In the last second, I call on the people of Barbados to join with us in this journey and never look back until we have reached the promised land.
3.25 p.m.

Mr. W. O. FRANKLIN (St. Philip North): Mr. Deputy Speaker, the honourable Minister of Transport and Works is an honourable man! He is a man of God! He is a man of conviction and principle! The people of Barbados have never looked back since 1937 until those black dark days from 1961, when they were looking back for 15 years! The people of Barbados in 1961 exercised their constitutional right to change the Government of the Barbados Labour Party, and it appears to me as if the honourable Member for St. Michael West Central has never forgiven them for exercising that constitutional right.

Yes, people were looking back in those fifteen years. They were looking back from 1961 and beyond. They were looking back to see that they had left behind bad housing. They were looking back at the lack of pipe-borne water at the stand-pipes that they had left behind. They were looking back at the elitist system of education that the honourable Member for the City had pleasure in saying some ago that she believes in. They were looking back at that system that denied people like me and a lot of us from the working class and from the country districts the privilege of a secondary education. They were looking back at low wages. They were looking back at the lack of social programmes. They were looking back at what we called the smut lights, when many of us had to put the pieces of card over the light to spread down over your books to do work at night. They were looking back at the dirt floors in the days gone by. Those are what the people were looking back at.

I would not say, like you, that in 1976 the people of Barbados started to look back. They exercised their

constitutional right, and the people of Barbados will exercise their constitutional right whenever the time comes again. I do not think that you should continue to give the people of Barbados the feeling that they were looking back. They were looking back at the 13 539 houses built. They were looking back at water services.

He also stated that the old aged pensioners will know that they are three times better off now. They were getting \$13 and now they are getting \$40. Am I to believe that he is making the old aged pensioners believe that nothing has happened since that time? Prices have come to a standstill! Services have come to a standstill! There have been no increase in water rates, no increase in electricity, no increase in food, no increase in anything? Everything has come to a standstill, so you can compare \$13 then with \$40 now!

Do not allow your principles that you are so proud of to fall down when you are making a point. Carry it right through. It is only fair.

I am not going to look back. I think now is the time that we should discuss intelligently what has gone on in this Budget. I want to start with the section of the Budget that I take the diametrically opposite view on with the Prime Minister. I want to quote him, because I do not want him to be misquoted. On page 52, Property Transfer Tax, the Honourable Prime Minister said:

"For a long time now, Mr. Deputy Speaker, there have been complaints from the real estate agents in this country that business was being crippled by the punitive rates of transfer tax on properties being bought by foreigners. These rates were necessary at the time when the real estate business was under inflationary pressures at home but are, perhaps, less relevant now. I therefore propose the following changes in respect of the rates of property transfer tax as they apply to local vendors and foreign purchasers. The current rate of tax will increase from 3 per cent to 5 per cent in the case of the local vendor, and the current rate of tax to the foreign purchaser will be reduced from 17 per cent to 10 per cent. These changes will take effect immediately."

I seriously invite the Honourable Prime Minister to have a look at this again. He is well aware that this was a fundamental policy decision on the use and enjoyment of property in Barbados. He is well aware that, in the absence of an Alien Landholding Act, that was put as a disincentive to stop foreigners from owning Barbados. It did not stop them. What has happened is that the foreigners have acquired almost the entire coastal strips of Barbados. What he is going to do now is to make it easier for them to continue this process of acquiring the coastal strips, and in assisting them, he is making it definitely more difficult for the Barbadians, and, as I will

point out later, more expensive to the Barbadian boy and girl who want to buy a house, to get a house.

What are the reasons advanced by the Honourable Prime Minister? That the real estate agents have been complaining. The employees and the Barbados commercial people have been complaining about the Stamp Duty too, but he did not remove the Stamp Duty from 3 per cent. He increased it to 5 per cent, and that was a measure that would have affected every single soul in Barbados. But this measure that would only affect a few real estate agents, he has taken very kindly to. This is more a revenue measure than anything else. Frankly, I would advise him to forego any revenue that this may bring, and for a lot of reasons.

The advantages of overseas ownership of land in Barbados are (1) the initial in-flow of foreign exchange for the purchase of that property, and (2) the taxes derived for Property Transfer Tax. If we go back to (1), the initial in-flow of foreign exchange has no advantage, because he must realize that when those properties are sold at some other time, with the appreciation in value, that he would have to allow these people to repatriate the proceeds from that. Therefore, it is only a temporary lending of foreign exchange, and he is going to be at a disadvantage when that foreign exchange goes out, with the appreciation in capital to the foreigners that will be taking it out.

The only other advantage is slight employment opportunities for the few people who are employed to take care of that. Those are the only three advantages that I have seen.

Has he stopped to think of the numerous disadvantages of that situation? The first thing, he should allow, now that the market is relatively quiet, is the 17 per cent to remain on to regularise the real estate market in Barbados.

The only people who would benefit from this would be Barbadians, because if the market is slow and the foreigners have to sell their real estate now, they would have to most likely sell to Barbadians, who would once again begin to own some of the prime real estate in Barbados. And if they go back into the hands of Barbadians, you can be sure of three things. You will have fuller employment, because those Barbadians will have to employ people full-time and not part-time. Secondly, you would remove some of the uneasy tensions that have been built up in the Barbadian society about people owning our beach lands and sometimes exercising rights over them that make Barbadians feel as foreigners. Thirdly, we would be having fuller use of those properties.

Not only that, but I wonder if the Honourable Prime Minister does not realize that some of those houses are competing and moving away foreign exchange from the tourist industry. When those houses are occupied by the friends of these people who own them, does he really believe that they are just occupying them? They are rented to these people, but the foreign exchange that they pay, as rent remains overseas. If these people had come to Barbados and did not have the privilege of going to these houses, they would have to go to a hotel and leave their foreign exchange in Barbados.
3.35 p.m.

So it is providing competition for the tourist plant of Barbados, denying some foreign exchange that should well be coming into the country, and denying employment. It is a very serious policy decision. It is a policy decision that could only make the people of Barbados believe that we intend to pawn our property, our only real asset, for the sake of a few dollars in property taxes. And it is only a few dollars, because he is now reducing it from 17 per cent to 10 per cent. Why has he done that?

As a punitive measure, he has tacked on 2 per cent to the local vendor. Whom does he believe is going to attract that 2 per cent? I will tell him later who will eventually pay that 2 per cent, but I am seriously advising him and requesting that he has a look at that policy again, because that policy will have some very serious long term effects on the ownership pattern of land in Barbados, particularly the prime lands along the beaches.

There are many Barbadians now who because of their improved standard of living and their improved ability to earn are looking every day for a piece of land on the coast to buy, but cannot find any. Why should he make it easier for non-nationals to buy this and make it more difficult for Barbadians in the long run to acquire property? I cannot understand that policy whatsoever.

Mr. Deputy Speaker, I am charged with the responsibility of housing on this side, and I want to look at some of the proposals and give my feeling on these proposals to the Honourable Prime Minister, because once again I think that he has made some very serious errors in this portfolio that would only reflect on the local market in Barbados. Let us turn to page 44 where he starts with housing. He said:

"I propose to deal next with Housing, Mr. Deputy Speaker, and since I shall be proposing Income Tax concessions in this area, I will include my comments under this head of direct taxation."

And this is the important part.

"The Government has made housing one of its principle priorities and has continued to place major emphasis on the improvement of the country's housing stock."

I must confess that I have not seen anything within the last couple of months, or within this Budget, that would seriously take these words into consideration, and I would like to show why I think that way. The first thing you have, and I will take them on this card, is an increase in Stamp Duty. You must understand an increase in Stamp Duty that is going to bring in \$19 million in Barbados. These duties are on tiles, roofing material, wood, electrical fittings, table ware, locks, plumbing fittings. If you take a unit that is going to cost \$100 000 now, it is agreed that the material content is about \$50 000 of which, let us say, \$20 000 is imported. That 2 per cent duty is going to put \$400 on that unit immediately, the same Stamp Duty that is said to be a minor increase on the people of Barbados.

The Property Transfer Tax that he has now increased for the local vendor, it is only natural that the vendor is going to pass on that 2 per cent to the purchaser, and on an average lot costing \$20 000 there is another \$400 Property Transfer Tax increase.

Let us look at the mining increases which have just gone on. I have absolutely nothing against the \$10 000 that has been charged on the proprietors operating the sand pits. If they are mining, they have to pay some royalty, but let us also understand that that is going to be passed on to the purchasers of that sand, plus he has added \$2.50 on every cubic meter of sand. My information is that sand is now \$9.33 per cubic yard if it is sieved sand. The operators are saying that this is an additional administrative cost and they are putting in 25 cents to cover the administrative cost, plus the \$2.50; so it is going to be an increase of \$2.75 at base. The cost of the freight is going to be increased because licences have gone up, so that is going to be an additional cost. I have calculated that every cubic meter of sand is going to cost every potential house owner \$3 more, and in an average house you take 30 cubic meters of sand, so you will have to pay \$300 because of these measures.

That is not as bad as the marl. The same thing applies to the marl. The Prime Minister is forgetting that in every foundation you take approximately 100 cubic meters of marl fill before you can start, and you are putting another \$300 on that house for the marl fill.

Let us talk about concrete. I have already discussed with the Minister of Housing that the operators of concrete plants are telling you that concrete is made out of sand, and quarter aggregate, and the mixture for a 2 500 pound per square ounce strength at 28 gauge is 3:2:1, therefore the input of aggregate is high.

Then there is the fact that the concrete mixers that are on the road are heavy duty trucks and they have been taxed, plus the fact that they are now negotiating an increase in wages.

My understanding is that a cubic yard of concrete, which was \$180 before, is now tipped to go up by \$45, of which they are attributing \$20 per cubic yard as a result of the Budgetary Proposals. In the average house you need at least 30 cubic yards of concrete, 12 in the foundation, about 10 on your floor slab and 8 in your ring-beam; so if you take 30 cubic yards of concrete at \$20, it is more than \$600 that concrete has gone up by.

That has nothing to do with concrete blocks. The concrete block operators have already made up their minds that the Budgetary Proposals are going to send up the blocks by 25 cents. The average house needs 2 000, so that is \$500 more that you are going to send them up by.

Freight is going up because of the increase, and the average freight for a house is about \$1 200. If you take an increase of 10 per cent, it is \$120.

I am certain that the Honourable Prime Minister did not even realise that marl is the major base for trowel plastic, which we all like. Marl from Ellesmere Quarry and your trowel plastic are going to go up. The budgetary measures are going to increase a house that originally cost \$100 000 by approximately \$300 in one stroke. They will increase that house by 3 per cent, and the Honourable Minister wants me to believe that housing is a prime consideration in his Budgetary Proposals.
3.45 p.m.

Mortgage rates have gone up by one per cent to 11 per cent. But I want to draw it to the honourable Minister's attention that every percentage point you move the mortgage rates, a young person, or young persons, have to be earning about \$102 more a month in order to qualify. I will give you some quick figures. On a \$50 000 mortgage for 20 years at 10 per cent, the monthly payment is \$482. The monthly payment for the same \$50 000 mortgage for 20 years at 11 per cent is \$516, or \$34 a month more. The average rule of thumb for qualifying is that your gross salary must be three times your repayment. So if your repayment has now gone up by \$34, your gross salary must now be \$102 a month more.

Do you know what has happened? There were young couples who have been waiting for years for mortgages. They qualified and were awaiting disbursement. But immediately the mortgage rates moved from 10 per cent to 11 per cent, they were disqualified for that amount of mortgage that they were awaiting. They

no longer qualify. So when we say one per cent, it has tremendous implication on the mortgage market. You cannot just implement things without following right through.

I move now to the matter of financing of houses. I heard the honourable Member for St. James North (Hon. L. S. Craig) quite rightly say some time ago that if you look through the windows and you see the number of new motor cars, you would not believe that you are in Barbados.

The Prime Minister said:

"....new residential mortgages to 11% in an effort to encourage trust companies and other financial institutions to divert more money into residential mortgages. These institutions should bear in mind that Government expects to see new funds flow, and still holds in reserve the possibility of specific direction of funds to mortgages and away for example from consumer credit."

He has a responsibility to Barbadians, in a small economy where there is very little extra cash, to condition and to pattern the consumption behaviour of people in Barbados. He has not been doing that very successfully within the last few months.

The very boast of the number of motor cars out there is due to the fact that the consumption pattern of Barbadians has been oriented towards consumer durables. And it has been so oriented because the Government has allowed the inflow of motor cars in this country unimpeded, because of the high duties that have been placed on them. He must be aware that as long as there are motor cars in Barbados, they will sell. They will sell because the commercial banks are going to be lending for them at 18 per cent to 19 per cent. They will sell because even the funds from co-ops and the credit unions that he has been so happy about will be going into motor cars and they would sell. So the moment that you allow an inflow of those consumer durables without any type of protection, you must automatically draw out of the banking system, money that would go towards mortgages.

What is happening in this country as well is that the commercial houses in Barbados have been taking a lot of money out of the banking system, because they are going on the market and they are acquiring funds on the open market at two per cent below the prime rate. I am charging that they are taking the people's funds without any security, and this is a very dangerous thing to happen in Barbados.

Some time last year, some of these commercial houses collectively had about \$40 million in funds on loan to them. The people of Barbados were spared a very serious problem last year when one of the major com-

mercial houses in Barbados suffered a natural catastrophe, a fire. If they did not rally around it those funds that had matured and were on loan to those companies, the people in Barbados would have had problems without any protection from the Ministry of Finance. The Minister of Finance needs to protect the funds of the people of Barbados in that direction.

(Rt. Hon. J. M. G. M. ADAMS: There was an Order made last year doing exactly what you are calling for.)

Mr. W. O. FRANKLIN: I know for a fact that one commercial house in Barbados had more funds available to it in a trust company, because they were in the market at two per cent below prime-buying with absolutely no protection to the Barbadians who were pulling out their money. All of these things are getting around the system. So unless you, in your capacity as Minister of Finance, realize the implication of the consumption patterns of Barbados, you would never get money in housing, and it is not that the young people would not prefer to go into a house.

This also impacts on transportation, and this is why I always tell the Minister of Transport when he talks about transport that it has serious implications. There are numerous young people in St. Philip who have cars now and who I know as a fact would have preferred to put that money as a down payment towards a house. But because they have problems with their transport to work, and because the security of their job is at stake due to their arriving at work late, they have bought motor cars. It is also because the banks make it very easy and simple for them to borrow money to buy motor cars.

(Hon L. S. CRAIG: Do not give me that, Franklin)

Mr. W. O. FRANKLIN: I know that for a fact. We have almost completely renewed the rolling stock in Barbados. And the Honourable Minister must know that every single cent in a motor car — none are made here; none are even assembled here — must be foreign exchange.

It is true it is a very nice bit of revenue, 100 per cent or 120 per cent. I know that he is not going to give up on it. But he has to consider the long term, and he has a responsibility, by whatever machinery, to try and control and fashion the consumption patterns in Barbados so that young people would be a lot more thrifty than they are, and do the things that he realizes must be done.

The Honourable Minister of Housing has said that there are about 35 Government houses that he is renewing. Let us start to renew these houses. Let us match his words with some effort.

I want some transport for the people of St. Philip. Roads. I am begging the Minister for some roads so that

the people in Vineyard can get out. I have spoken to the Minister of Housing about Lynch's so that he can get something done with Lynch's Tenantry.

In a Budget, you must use your considerable influence and authority, by way of the machinery available to you, to quietly control and direct the economy into the best efforts for the betterment of Barbados. That is my point.

Thank you, Sir.

Applause.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Sir, I beg to move that this sitting be now suspended until 4.30 p.m. this evening.

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 suspended the sitting accordingly.
3.55 p.m.

ON RESUMPTION

Mr. DEPUTY SPEAKER: This sitting is now resumed.

The honourable Member for St. Lucy catches the eye.

Mr. R. E. BRATHWAITE: Mr. Deputy Speaker, I rise to support the Budgetary Proposals for the year 1984-85. I think it is a Budget that can be categorised as a very progressive Budget at a time like this.

No country can survive without taxation, whether direct or indirect. My Bible says, "Render the things to Caesar that are Caesar's and the things to God that are God's". Jesus knew that King Caesar would need tax to run the country. Levies are nothing new. In First Kings, 9th Chapter, 15 to 19 Verses, King Solomon — the wisest man that ever lived — introduced a levy.

The Opposition is running from this Budget, but it is our duty to show the nice people of this country the facts that are in this Budget. I would say that it is a poor man's Budget. I remember that in 1974-75, a lady working for \$25 had to pay tax. Today, the same lady is working for \$145, and takes it home tax free. The allowance for married couples has moved from \$4 500 to \$5 000, and for children, from \$700 to \$800. The funeral grants under the Democratic Labour Party

regime was \$100. Today it is \$450, just in seven and a half years time.

The honourable Member for Christ Church West Central (Mr. M. A. King) said to stop the levies. What about our unemployment benefits? All day long you pass by *Verona* you can see quite a lot of people out there enjoying their unemployment benefits. If we stop the levies in this country, what will happen to our poor working class people when they find themselves out of a job?

I will talk a little on welfare. In the Democratic Labour Party's regime, a blind person would only get around \$12 every two weeks until he reached the age of 68. Under the Barbados Labour Party, a blind person qualifies at eighteen years. He gets the same pension as if he were 65 years old. The qualifying age for old age pensions was lowered from 68 to 65, and the pension raised between 1976 and 1984. When we came into power, an old age pensioner used to get \$13 per week; today it is \$40 per week. I do not think that anybody will disagree with me when I say that it is easier now than in the 1960s and early 1970s.

The Democratic Labour Party took fifteen years to give those poor old persons \$8. When they came into power, it was \$5 per week, and when they went out it was \$13. They never repaired pensioners' houses until election time came around; then you would see members of the Democratic Labour Party running around repairing houses. We on this side repair houses continuously because we realize what the old people of this country did. They have produced and worked hard, and we feel that we should do all within our power to keep these people happy. We also assist the pensioners with their water bills, light bills, and bus fares.

I know for sure we will be around for a long time because we take care of the old and also the young. I am sure that we take care of the young people from the cradle until the university level, and as soon as they come out of the university and they reach the age of 65, we are there ready to take care of them again.

Mr. Deputy Speaker, I am sure that the members of the Democratic Labour Party will speak about the lay-offs of workers in this country. If they can show me a country which is not laying off people at this stage, I will show you a country that is not a country. The United States of America, England, Canada, Jamaica, Trinidad, all those places, as we all know, are going through a recession, and we cannot live by ourselves. I am sure that yesterday in the 1 o'clock news President Reagan was telling you about thousands of businesses that will run into bankruptcy by the end of this month. This means more layoffs. When a place like the United

States of America which have so much to offer and they cannot control the layoffs, what about little Barbados?

I realize that Barbados is a special place, and I would say that the Lord is directing and leading our Prime Minister, because I sometimes wonder how he gets these things done. No reasonable person really expected to have a Budget like this. But I believe our task is a very easy one this afternoon, because whenever we have come in here with a Budget since 1977, the Opposition would always tell you that it is an election Budget. And once you hear about an election Budget you know that it would be a good Budget, because the kind of Prime Minister that we have would not be so dumb as to bring a bad Budget around election time.

The honourable Member for St. Michael South Central also spoke about the high cost of living. I go to America, and today you would be surprised that things are twice the prices they were four years ago. In England, all around people are crying out and telling you that things are going up. In Guyana — I do not know how those people live over there. When I was there, a labourer worked for \$11 per day, and yet he had to pay \$180 or so for pants, so you would understand how he is doing. I visited Dominica, and a bottle of gas costs \$300, so you would understand how many people could really buy a bottle of gas. In Trinidad, a place that has oil and all kinds of resources, tomatoes were selling at \$7 per pound. That was when I was there; I believe it might be more now.

A pound of green peas in Jamaica — a friend of mine just came back from there — costs \$7 and Civil Service salaries in Jamaica are half those in Barbados. A tractor driver works for \$45 in Jamaica per week, and I am sure that you could not pay a tractor driver \$45 a day in Barbados. He would not work for you.

The honourable Member for St. Michael South Central spoke about the small wages. In 1976, when we took over this Government, a bus driver was working for \$105 per week. Today that same bus driver is \$262 flat, but at times he works overtime, and he makes as much as \$400. A conductor in that day used to work for \$95. Today a conductor works for \$226. You can see the improvement in wages in this country. Most of the workers are very, very happy about the speed at which the Barbados Labour Party undertakes negotiations.

One thing that really grieved me a little was when the honourable Member for St. Michael South Central said that the people of Barbados are starving. That really grieved my heart, because, as you all know, we in Barbados never had it so good as far as food is concerned. 4.45 p.m.

The people in Barbados do not eat yams particularly, we have to send them to England. They do not

particularly eat potatoes. They do not eat breadfruits, the breadfruits drop from the trees, and in order to get sales for these things, we have to export them. They are eating macaroni, chicken, steaks. I worry about these things when I know that people from other countries who listen to that bad report will feel that we are dying. That really was a bad piece. I did not like that at all.

He also said that in 1976 when they were in power, Income Tax was \$1 billion. Today he says it is \$3.4 billion, but I will show him why it reached that figure. Reading from the Barbados Economic Report 1983, in 1976 we had 104 000 people working. In the last report, in 1983, we have 111 000 people working. When you compare 111 000 to 104 000 and note that a bus driver who used to be working for \$105 is now working for \$262 flat, and sometimes \$400, you will see why there is more tax.

As far as I know, from the time this party came into power, I never heard of any improvement in the tax structure. It was 5% out of a dollar under the Democratic Labour Party and it remains 5% now. What makes the difference to make people believe they are paying so much tax is the amount of money they are working for. If you were accustomed to working for \$105 and paying 5% on that, you would know what you would get. Now the same man working for \$262 flat, would obviously understand that the tax would be a lot more.

So, you see, Mr. Deputy Speaker, they do not have any facts as far as this Budget is concerned. The members of the Opposition are only butting around the bush and trying to blindfold the people of this country. Thank God we have an educated electorate and they know right from wrong.

He also asked that each individual working for \$12 000 should have his salary tax free. Under the Democratic Labour Party, people working for \$1 300 got it tax free. For seven and a half years now we have up to \$7 540 tax free. What a contrast!

He also spoke about defence and security, and about wastage of money. I am a bit embarrassed to hear him talk about defence and security, because we all know what help defence and security was to this country in 1983, and to the West Indies as a whole. Two or three years ago, whenever you took up the daily newspapers, you read that the West Indies was a boiling pot, things were bad, there would have been an eruption at any time, communism was present. But through that Defence Force going down to Grenada helping to make peace there, now today you can hear that the West Indies is one of the most peaceful zones in the world.

Mr. Deputy Speaker, when you have a country like this having a Budget of \$596.3 million, can you afford

to run the country callously without having some form of defence? Years ago you heard every two weeks that Sydney Burnett Alleyne was on his way to Barbados. You do not hear that now. We have a guard. The Lord said He helps those who help themselves, and if we get ourselves in trouble, or some country comes here to make trouble and we just hold up our hands and do nothing to help ourselves until somebody comes to assist us, that would be ridiculous. There are other countries out there spending money for security reasons, and we are supposed to go to sleep every night without any kind of protection!

It was very outstanding of the Minister of Finance to try to improve the security of this country. Our country has improved by leaps and bounds. We are getting sea eggs now that the Defence Force has been going around stopping the dynamiting of fish. We are getting more fish on the coast, so it is not only valuable as security, but it is helping the country as a whole.

He also spoke about St. Lucy; he said we ran the Americans out of Barbados and we left a lot of houses down there on people's hands. I would like to let the honourable Member know that that is not true. You cannot get a house to rent in the parish of St. Lucy now, and we are getting higher rents now than when the Americans were in Barbados. I would also like to let him know that all of those people who were working in those days with the Naval Base are all working now. As you all know, the Base was not contributing anything to Barbados, and I agree that it could go.

The honourable Member for Christ Church West Central (Mr. M. A. King) spoke about the pot holes in the road. The Democratic Labour Party is the party which is responsible for the pot holes in the road. I know that when I was a boy, when there was a conservative Government, they used to have a mile of road for a cantonnier, and he would service that stretch of road. He would have a drum of colas, a load of grits and a wheelbarrow, and as soon as he saw a pot hole in the road he would stop that piece of road, because he was responsible for that stretch of road. When the officer in charge turned up and saw a hole, he would report to the man that there was a hole in the road, and that man would take his wheelbarrow and go and stop that hole in the road.

When we came into power in the Fifties and early Sixties, we carried on the same exercise where we had a good network of roads, and we never saw the holes that we are seeing today. As soon as the Democratic Labour Party came into power, they stopped that completely and pooled the men in gangs. When you pool men in gangs, it means that there is nobody responsible. When you see a pot hole, there are about fifteen men to blame for it, because no one person is responsible.

I do not worry too much about the pot holes, because I believe that St. Lucy has one of the best networks of roads. We have a few holes now because we have a lot of big business going on there. About seven years ago, when the Democratic Labour Party was in power, the heaviest duty truck you could get in that day was around 11 tonnes, but today we have machinery going down to the cement plant of over 50 tonnes. Can you believe that a road that was fixed to hold up 11 tonnes years ago could hold vehicles now of over 50 tonnes?

And the roads are being used. Years ago, when you stopped on one side of a road, you could park for a very long time; but nowadays, whenever you stop, you obstruct vehicles, because too many vehicles use the same roads.

As far as the pot holes are concerned, I think the Honourable Minister is doing a very good job. I am not saying it as a boast, but I would say that from St. Michael, the City, down to Pie Corner in St. Lucy you cannot show me many pot holes, because as soon as we get one pot hole in the road today, you can be assured that tomorrow the Minister will send that truck and stop that hole, especially on the bus routes. It is being done now in Connell Town. I am sure they are working there now going on to Crab Hill. That is about the third time it is being done, because we have heavy buses, we have heavy trucks, and they are always trying to make sure that especially the bus routes are serviced.
4.55 p.m.

Mr. Deputy Speaker, they also spoke about the plantation tenantry roads. I could not believe that the members of the Opposition would say anything about tenancies, because they voted against the Tenancies Act. They said they do not agree with it because when you are renting a spot, you do not have to pay taxes, but as soon as you own a lot of land, you will have to pay taxes. But, thank God, we had a majority up here so that we could get it passed. Tenants are happy, and you can see the improvement. Most of them have water-borne systems. They have toilets and bath and their kitchens to the back.

We brought a Resolution to get money for old people who were living on a spot of land for a long time but who did not have enough money to purchase a spot. We came into this Honourable Chamber and asked for a certain amount of money to lend to those people who were unable to buy their spots, and the members of the Democratic Labour Party voted against it.

One honourable Member said that we were only putting money into the pockets of the plantation owners. I would like to let them know that no plantation owner really like that money. When you think of places like Vauxhall, Alleynedale, Holligan, Six Men's Village, Holetown, Trents, Porter's Road, you know that those

are nice spots. When those people were buying those spots at that price, I said they had a lot to thank the Honourable Prime Minister of this country for, because that was really a gift; and from the next day those same people could go and sell the same spots for a lot of money.

I know my task in St. Lucy is a very hard one; I do not get things very easy. I have inherited a very hard constituency. It was a constituency about which the Democratic Labour Party could boast; the Dems always said that they could depend on a seat in St. Lucy. But they did not treat the people of St. Lucy as if that was true, because for fifteen years the people of St. Lucy never got anything done in that constituency. We do not have a housing area. We do not have playing fields like other constituencies. We do not have day care centres. The only thing that the previous Member of Parliament did for us was to allow a septic tank to be placed in the middle of a district at Hope Road.

I wonder if anybody could be so mad to recommend putting a septic tank in the middle of a district in the parish that I represent. No one would accept that. At times when people are sleeping at nights, the truck comes and drops the slush, and the people have to run out of their houses. All through the day the trucks come dropping the slush, sometimes when the people are taking their dinner. They do not choose what time to come — it could be at breakfast, lunch, or dinner. I am appealing for something to be done about it very quickly, because I am always thinking about the nice people of St. Lucy and those people from Hope Road.

Mr. Deputy Speaker, I would like to touch a little on the cement plant issue, because I know that was a burning issue for the last three weeks.

Mr. DEPUTY SPEAKER: I know that the honourable Member would like to touch on the cement plant, but he only has two minutes.

Mr. R. E. BRATHWAITE: I am sorry about that.

Up to now the cement plant is quite satisfactory. It has made a certain amount of cement already, it is dust free up to now, and we have a little noise — as much as we hear from the aircondition that we have here.

I would like to thank the honourable Member for St. Michael North East (Hon. DeL. O. Bradshaw) for the quick action that he took because some people felt that I was doing nothing about the cement plant and the people at Checker Hall.

I would like to let the people know that there were two acquisitions that I had done for the people

at Checker Hall for the three years that I was in here. We had an acquisition done for 11 acres of land, very close to the cement plant; but the engineers felt that it was too close, so we had to abandon that. We then went a little further away, and we had to write to the people in America who owned the land. Negotiations are now going on to have this settled. We will have about 60 spots there, and I am sure that the people of St. Lucy will be very happy about that.

Mr. Deputy Speaker, I would be glad if you could give me another five minutes because I would like to speak about this.

Mr. DEPUTY SPEAKER: The Rules do not permit me to give you another five minutes, but the House can always make its own procedures; and if the House feels that you should be given five minutes more, it is up to the House to make such a decision. I will have to abide by the decision of the House.

Mr. R. E. BRATHWAITE: I can go on?

Mr. DEPUTY SPEAKER: Yes.

Mr. R. E. BRATHWAITE: Finally, Mr. Deputy Speaker, I would like to say that up to the present time, the people at Checker Hall are very happy. The previous representative of St. Lucy said that the people of Checker Hall want him back to see after their cause. I would like him to bring back the same Press to let me see the people who want him back to represent them. I would like to issue a warning to him, now. He had ten years to represent the people of St. Lucy, and he did not. As far as he is concerned, the people of St. Lucy are finished with him for good.

Mr. Deputy Speaker, I would like to thank you for bearing with me, and I would like to thank the Honourable Minister of Housing and Lands for his quick action in coming down there and keeping the management of the cement plant from harassing the people of St. Lucy.

Mr. DEPUTY SPEAKER: I have extended the time. I know I have not given you enough time to finish your debate, but, unfortunately, those are the Rules that we are operating under.

Mr. R. E. BRATHWAITE: Thank you very much, Mr. Deputy Speaker.

Hon. H. deB. FORDE (Christ Church West): Mr. Deputy Speaker, I believe that in the period during which the Barbados Labour Party has had responsibility for running this country, it has perhaps shown one of the highest standards of management of the economy that any developing or developed country has ever witnessed; and whatever may be the concerns being expressed about

the state of public affairs in Barbados, there is now, more than ever, the need for Barbadians to be realistic in their assessment of their country's potential, of its performance and of its achievements.

5.05 p.m.

A few days preceding the Budget, if one went around listening to the expectations of people, one would have to say that the expectations were probably much higher than even the most developed western economy could afford. Everyone wants less taxes or no taxes; everyone wants more money and in some cases the most money; everyone wants the best of services. It is not unusual for people to have idealistic goals, but one has to be objective in looking at the economy with which we are dealing, and one has to be realistic in setting one's goals and in realising one's potential.

I think that an objective analysis of Barbados' performance during the years would not warrant the litany of woes listed by my friend, the honourable Member for St. Michael South Central (Dr. R. C. Haynes) the Shadow Minister of Finance. Surely he must be allowed a degree of political licence — and like poetic licence, no doubt this allows for a certain amount of rhetoric, certainly latitude, and a certain exaggeration. But I think in his sober moments of reflection, even he must concede that he has exceeded those limits, and that the picture which he has painted of Barbados is a picture in Anancy Fairy Tales land.

He made no concessions whatsoever for any achievements, not by the Government of Barbados, but by the people of Barbados themselves acting through their own efforts and under the direction of their own elected Government. He made no concessions for the future programmes and the future development planned for this island. He made no deep analysis of the performance of the Barbadian people themselves, and of the manner in which they have through the years buffeted every storm and withstood every challenge.

I would not characterise his reply as a people's reply. I would be gracious enough to admit that it is a subjective analysis expressive of the sentiments of a politician well uncompromising in his partisan approach to the affairs of State. Of course, that is not surprising. My friend the honourable Member for St. Michael South Central has mistaken the word "uncompromising" for the word "morals". What I have recently said to him is that, with the brain which he has, he has a potential that could be realised, but he has an uncompromising approach to public affairs, and in the long run this might well be his Achilles heel. I think that he must therefore on reflection try not in the future to cast his criticisms so wide without even showing the graciousness of making concessions where concessions are due, because realism would have pointed him straight to the context in which the

Barbados economy has had to perform in the past year, and indeed in the past three years from 1980 to 1983, if not 1981 in particular, to 1984.

Barbados is, after all, an insignificant speck of dust in the whole large world. In fact, it is an open economy, still an underdeveloped country, developing in many respects faster than other countries with more resources. But I think we must admit that in 1983 all countries, developed or developing, were buffeted and scarred by the rigours of one of the worst recessions which we have witnessed in the economic life of all countries. Do not take my word for it. Whether you take the word of the Inter-American Development Bank, the International Monetary Fund, the institution in which my friend would only leave our money, in the World Bank, to be a net lender instead of using the money effectively for the development of the country and be a net borrower in this case in development, or whether you take the word of a distinguished West Indian, Dr. Shridath Ramphal, reporting to the Heads of Government of the various Commonwealth countries, it the same story.

I will read what Dr. Ramphal had to say. I quote from a document which can be made a document of this House. It is a report of the Commonwealth Secretary-General for 1983.

The world may now be starting to pull out of the recession but its cost has been colossal; the loss of potential output and of prospective income in industrialised countries is estimated at over \$300 billion per year for the last three years. To this has to be added the impairment of future production capacity from reduced investment. The effects on the world's poor and on the development capacities and prospects of developing countries have been even more profound and in some cases devastating.

Caught in a web of falling commodity prices, declining export markets, cutbacks in aid and record interest rates, developing countries have seen their economic situation deteriorate steadily. They have faced massive current-account deficits which in aggregate for the non-oil developing countries exceeded \$100 billion in 1981 and \$90 billion in 1982. Their external debts had swelled by the end of 1982 to some \$600 billion.

Commonwealth countries have felt the full rigours of the recession. Among its developed members, Britain has been especially scarred. But the developing members have had to bear the greatest hardships. The collapse in commodity prices has been the major factor forcing down export income over the last two years: in 1981, almost three-quarters of Commonwealth developing countries and in 1982 around half, experienced a drop in export receipts. With prices of imported manufactures and

fuels remaining high, three out of four countries have seen their reserves fall, sometimes dangerously low. Though few Commonwealth developing countries rank high in the world debtors table — only two are in the top twenty — many have uncomfortably high debt-service ratios. During the last two years some half dozen Commonwealth countries have been forced to seek rescheduling of their debts. Yet, with financial pressure on developing nations so sharply on the increase some two-fifths of them received less official assistance from developed countries, despite the fact that these are better placed to withstand the current crisis.

And this is how he ended that part of his analysis:—

The recession is the culmination of a decade of disturbed conditions in the world economy marked by higher inflation, higher unemployment and lower growth than during the previous twenty-five years. For some countries there has been no growth at all; around a dozen Commonwealth developing countries were among those whose real income fell during the 1970s. Since 1973, exchange and interest rates have been markedly volatile, and capital flows increasingly unstable. There has also been growing structural rigidity; industrial countries have displayed inability or unwillingness to adjust to changes in comparative advantage, increasingly thwarting their effect by becoming more protectionist. The ensuing frustrations have increased concern about the state of the international financial and trading system and the inability of the present institutions to facilitate orderly and equitable adjustment.

5.15 p.m.

That is the picture against which we must consider Barbados' performance. I think that any objective analysis of the words, "economic conditions" would lead us not to pat ourselves on the back, but at least to recognize that Barbados has not done too badly, given the circumstances outside and beyond its control.

We have had to face the prospect of a fall in one of our main commodity products, sugar. It is not so much a contraction in sugar production, as the honourable Member is contending, but a tremendous fall in the price paid for our sugar, as has happened because of the increase of the price of the dollar against European currency — the honourable member knows that — and the fact that the European sugar market was extremely flush. We have had difficulties there, so we have had a decline.

But the decline in production must also be judged against the fact that the Democratic Labour Party set out deliberately, as part of its policy — I am not even going to talk about cane burning which was part of its policy — to contract the amount of land that was available for cane growing. We are now reaping part of the whirlwind of that type of policy. Therefore, when the honourable

Member makes reference to the average number of tonnes of cane produced during the Barbados Labour Party's period, he must first concede that we have produced that from less land, because of the deliberate policy of his Government. But despite the fall in commodity prices in the international market, we have tried to maintain one of the major sectors of our economy.

Tourism. It is a fact that under the Barbados Labour Party's Government, the increase in tourism has been phenomenal. What has surprised the honourable Member is that between the period of 1950 and prior to 1973, there was about a nine-fold increase. Between the period subsequent thereto, there has been almost a doubling of that, and a major increase has taken place under the Barbados Labour Party.

When people talk about a fall-off in tourism, we must realistically assess this against the rapid growth that took place in the period from 1976 up to 1981, I think, or 1980, when we peaked at some 379 000 tourists. I am glad to see that that sector of the economy has now stabilized with the sensible policies followed by the Government, and particularly with the magnetism shown by the honourable Member for Christ Church East Central (Hon. H. B. St. John), the Minister of Trade, Industry, Tourism and Civil Aviation. Any call at all, as I have heard from some persons here for a separate Minister of Tourism, must be misplaced. It shows that we are not prepared even to be charitable and recognize the performance of a man whose dedication to public life has been more than outstanding.

We have suffered in this area because of world economic conditions. If one looks at Canada, one of our major markets of supply, you will find that the Canadian dollar has been buffeted to and fro, and therefore the Canadians have had less to spend in our own country. Canadian unemployment has risen significantly, and indeed was almost as high as the unemployment figures in Barbados. In fact, there was a period where, I believe, we were even doing better than Canada was doing in unemployment generating projects. So if the Canadians have less money to spend and if they are travelling less, you would expect that we would have problems. The Government took prompt steps to encourage the American market and I believe that the growth that we have had in the past year is one of the good results of a re-orientation of our strategies to deal with changing circumstances.

What is really the truth and not the impression? The truth is that this country has witnessed steady economic growth since the 1950s. There has been an increase in real per capita income of an average annual rate of some two per cent. The honourable Member knows that. He knows that in some periods there has been a quickening and in some periods a slackening, but there has been a real growth in Barbados. It is a mistaken view to try to con-

vey to the public that they are worse off and that there is a mass of starving people all around.

The honourable member, like myself, would have had access to the February issue of the IMF survey. I am sure that if he would read it — if he has not already done so — and explain it to the people, he would see that Barbados is set up as a model country for managing scarce resources properly. The wisdom of Barbados' economic management is praised. This Government's performance, in particular, has merited more praise than the performance under the Democratic Labour Party.

The fact is that the honourable Member must concede that if you look at any of the major sectors, the structural changes were laid and took place during the period of the Barbados Labour Party. The Tourist Board was formed in 1955, with the vision of putting Barbados on the right track in tourism. The Barbados Development Bank was formed in 1969, with the vision of going into manufacturing and diversifying this economy. The DLP were fortunate to inherit foundations well laid at the time when the world economy was surging. But at the first signs of recession, from 1973 and onwards, the DLP faltered in the way in which they steered the ship of state, and people recognized that there was need for new management.

In the period 1977–80, this country's economic progress was phenomenal as compared with that of other countries. In every sector there was real growth. We have managed in a worse recession than that which confronted the DLP to have kept our ship on a reasonably even keel, preparing and being poised for the easing of tension and for pushing forward again in the new advance. I think the honourable Member would recognize the word. Not the old advance, the real and new advance under the Barbados Labour Party.

So when one considers the Honourable Minister of Finance's Budgetary Proposals, one must see them against the total background, and not against the narrow partisan approach which has been urged by the Shadow Minister of Finance. One must also see the Proposals against the background of the Estimates and the Appropriation Bill which were considered in this House probably less than a month ago. One must see them also in the context of the Government's future planning for the next five years, the Five Year Development Plan, which should be, in my view, compulsory reading for every Barbadian, to see where his money is being spent.

We heard a lot about the public debt. You would understand why money is being borrowed today to build for the future, and it is but reasonable that those of us living today should not carry the full debt burden for things people who are coming after us will share and to

enjoy. They, too, must have some of the future debt burden.

5.25 p.m.

The Government's Estimates of Revenue and Expenditure and the Government's Development Plan have the very purpose of steering the country not only through the recession to minimise its adverse impact, but also to put the country on the road to seizing the advantage from any resurgence, which the honourable Member knows will happen, in the international economic situation. The honourable Member has to conceive that it is a major achievement for us to have contained inflation at 5.3%. In Antigua, it is 12%, Jamaica 16%, Trinidad 17%, Guyana 15%, and those are our major Caribbean trading partners. We have been able to come out still with reserves that are stabilized substantially to be able to cover at least three months of our supplies.

We have paid some price, Mr. Deputy Speaker. I would hardly be objective, and would be guilty of the same fault as the honourable Member, if I did not say that we have not paid a price. We have seen some increase in unemployment. But I was amazed when my good friend as well, the honourable Member for St. Michael South (Mr. L. E. Sandiford) got up and asked "what is all the fuss about? Your unemployment figure is 15% and when we left we had it at 15%." He forgets those years when it was raging between 22% and 27%. We have reduced it to less than 10%, and I believe that we have to look at the measures which we have taken in order to minimise the ill-effects for those who were unemployed.

I regret that the higher level of unemployment has been among the females. But at the same time, I recognize the steps which the Government is taking to, as speedily as possible, improve the conditions of women in this country, and to make sure that there will be no long term effects among the females of the unemployed in this country. The Honourable Deputy Prime Minister spoke of Caribbean Data Services, which is one of those projects to help women. I believe there is another major industrial concern which will be shortly announcing that it is doubling its plant, and probably doubling its work force within the next couple of years, in an area which will be of interest to the female population in particular.

We are trying, Mr. Deputy Speaker, to put the country back to work. That is our primary goal now. Since we have dealt with some of the major problems, and withstood the storm from outside, we are now poised to deal with the problems of unemployment, and I think we can do this. There is a strategy for doing this. The Government proposes to spend some \$180 million on capital projects next year. What is the purpose of these projects if not to make sure that there is employment generated, and that, obviously, will have an indirect effect on other commercial activity in the private sector.

I want to make some comments in reply to some of the wrong impressions given by the honourable Member. There was a time when the Democratic Labour Party accused the Barbados Labour Party of being on the side of the businessmen. This was the continuing theme of the Right Honourable Member for St. John (Rt. Hon. E. W. Barrow). He used to label us as the merchants' voice. I was amazed that the honourable Member got up in this House and said how much he is on the private sector side, and tried to attack the Government, in particular the Minister of Finance, as saying that we are anti-private sector.

No Government in the Caribbean has done more than this Government to assist the private sector. One only has to pick up the Budgetary Proposals and see the positive measures given to encourage investment in the private sector. The Income Tax allowances for new shares in public companies have been increased from \$2 000 to \$10 000 annually. The honourable Member knows that at the level at which he pays the Income Tax, and other people like myself, that is a saving of \$10 000 and \$6 000 in one year. So when the honourable member talks about the increase in Stamp Duties without the allowances, he does not make arrangements for those people who are in the income bracket of 30 per cent and up, who are going to take money and invest in public companies and become part of the ownership class of this country.

One of the distinguishing characteristics of this Government has been that it has taken positive steps to widen the ownership class of Barbados, whether it be in the plantation tenancies, through the ownership of public companies or through investment in the manufacturing sector. So much so, that all institutions, development banks, and the IADB, and economists both on the left and the right, recognize that Barbados has been Barbadianizing or localizing its manufacturing sector at a greater pace than even some of the socialist countries to which one can refer. That is a fact and a lot of it has taken place in the period 1980-1983.

Look at the Budgetary Proposals and you will see an exemption of income earned from investment in national development, housing, or saving bonds up to \$50 000, to encourage savings and to promote housing. I did not hear that from the honourable Member for St. Philip North (Mr. W. O. Franklin). At the same time, it eases the tax burden.

The level of interest exempted on the Barbados National Bank has also been increased. I would like to see the Minister at this stage not treat the bank as any special, sacred house, and widen the net so that regardless of the commercial bank, you have the benefit of this increase as well. I think the National Bank has now learned to stand on its own feet.

Pensions being repatriated from overseas stand to have a special benefit. There is an allowance to credit unions — a benefit for them to encourage long term savings. The allowance for life insurance has been increased from \$1500 to \$1800. Did the honourable Member forget them, Sir? Those are positive things....

Mr. DEPUTY SPEAKER: The honourable Member has come to the end of his time.

Hon. H. deB. FORDE: To sum up, what we have found is an honourable Member who, in pursuit of what he conceives with the *bona fides* is his legitimate duty, would misrepresent, however a situation really is, only for short-term partisan political benefit. But the Government should be congratulated for its long term view, its dedication to duty, for listening to complaints and withstanding strongly, and guiding the ship of state safely home into a Barbados which we will all in the next decade be able to say has even surpassed the living standards of the United States of America.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Philip South.

Mr. H. A. BLACKMAN: Mr. Deputy Speaker, one year ago in a debate of this sort, I stated that because of the *ad hoc* and misguided tax policy of the Honourable Minister of Finance, persons in Barbados were experiencing unprecedented levels of repossession of furniture, disconnection of water, electricity and telephone services.

5.35 p.m.

Certain remarks made by Mr. H. A. BLACKMAN at this stage were ordered to be expunged from the Record by Mr. DEPUTY SPEAKER.

Mr. H. A. BLACKMAN: I was verbally attacked in a manner which was not surprising to me but which surprised thousands of persons in this country.

What experience has shown is that few people on that occasion when I spoke dared to believe that 1983 would have been a worse year. Experience has shown that, despite the talk over the last Budget that the Honourable Prime Minister did not hit the people hard, as the saying went. What is surprising to me, is that in this Budget you hear the same statement again, that the Prime Minister did not hit the people hard. I would have thought that Barbadians would have learnt from experience, but it seems that some of us do not learn from experience.

Barbadians have to understand a few things about taxation in Barbados under the present Minister of Finance. A lot of taxation that is put on the people of Barbados is not put on in the Budget. Throughout the year taxation is being put on the people of Barbados. The

Prime Minister is too knowledgeable to come in here and put on all the taxes in his Budget, so he spreads it out throughout the year.

Another thing Barbadians have to understand is that the Honourable Minister of Finance, in most of his Budget speeches, usually refers to what we call deferred taxation. You will hear that this measure takes effect from August, which means the instant it is put forward it does not seem to be too difficult, but in August there are many persons calling on me telling me that their water rates have gone up by \$30. Do you know what I tell them? I said I can do nothing about it, and I ask them if they remember it was one of the proposals in the Budget that did not hit them too hard. A lot of people do not understand these things, but when the tax hits them three months from now, then they get the shock. So when you hear that the Prime Minister did not hit you hard in the Budget, you have to be very careful, because this sort of statement is being aided and abetted by the newspapers in this country. A Budget of wisdom; that is what they say.

I will give an example of what takes place out of Budget time. On the 22nd of last month, National Housing Corporation's rents went up by 22%. I am saying that is part of the increase in the cost of living. That is an imposition. People believe that impositions are only put on in the Budget. They are not.

The honourable Member for St. Thomas has imposed so much taxation on this country that the tide of poverty that was receding in 1976 is coming back on Barbados now with a vengeance. It is going into the terraces, the drives, the parks and right down into the alleys.

A consequence of the high taxation is that Barbados has become a nation of gamblers. Gambling was with us for the longest time, but I am going to tell you why I say that because of the high taxation Barbados is becoming a nation of gamblers. The Honourable Prime Minister in this Honourable House, in trying to justify his statement that Barbadians are well off, stated that the people who administer the Let's Go To The Races tickets are collecting \$600 000 a week, and he asked, where are they getting the money from? The Prime Minister will have to understand that what is happening in Barbados today is that there are people who are in such a dire strait that they are taking their last two dollars and buying Let's Go To The Races tickets with the slight chance of winning \$100, \$1 000 or \$5 000. It has nothing to do with having money. That is what I mean when I say the standard of taxation is causing us to become a nation of gamblers. That is why we buy them, because of the dire situation under which people are existing, and you know this is true, Mr. Deputy Speaker.

Mr. DEPUTY SPEAKER: I do not know that.

Mr. H. A. BLACKMAN: Well, I am telling you that it is a fact, and most people in Barbados know this. Those

hundreds of thousands of poor persons who risk their last two dollars buying those tickets, when they hear that statement of the Honourable Minister of Finance, are going to be very surprised to hear that the Honourable Prime Minister does not really know what they are suffering. It does not seem as if he knows.

You have got in the last two weeks or so spokesmen for BEC asking for an ease of the burden on them. You have spokesmen for the manufacturing sector asking for an ease of the burden on them. Someone has to ask for an ease of the burden on the consumer. The only persons in Barbados today who believe that prices are coming down are members of the Barbados Labour Party. If they tell me that prices are not rising as fast as they did in 1980 or 1981, I will listen to them, but there is no person who can tell me that prices are coming down. There is nowhere in Barbados you can see prices coming down. They are not going up as fast as they were going up in 1980 and 1981, because in 1980 and 1981 every Friday you went into the supermarkets everything was going up by 40 and 50 cents, but do not tell me that prices are coming down.

Mr. Deputy Speaker, I now reach 1984. It seems to me as though when George Orwell was writing 1984, he had Barbados specifically in mind because 1984 has descended on Barbados with a vengeance. Over 100 persons at NHC have gone. People from MTW have gone. The NHC Housing rents have gone up. Headmasters are being brought to court, right down the line.
5.45 p.m.

We have also had suggestions that those persons at the top should be paid more so that the differential between those and the persons at the bottom should be maintained, without any sort of backing for his statement. I believe that one example given was that no Senior Teacher is applying to be a headmaster. If I were a Senior Teacher today, I would not be applying to be any headmaster, not how headmasters are being treated today. It has nothing to do with the salary. He is trying to drive home to us that it has to do with the salaries. Time was when teachers and headmasters in this country were looked up to with respect. A headmaster in my day was regarded in the light of a Governor, but not now, and that Government has to take some of the blame for that.

Today in Barbados, what is happening is that the Government, realizing that it has fallen down in its estimation of most of the people in Barbados, is seeking to justify that fault in the minds of people by saying that the Democratic Labour Party did such and such a thing in 1972, or they did that in 1965, or they did this in 1969. The people in Barbados have already weighed the Democratic Labour Party in the balance, in 1976, and put the Barbados Labour Party in, because they felt, and you had told them, that you would do better. If the people are let down by you, you cannot go back and

keep harping all the time that the Democratic Labour did whatever it is they did in 1969. The people do not want to hear it. You have been in power since 1976, eight years ago. You are going to be judged by the eight years that you were in power. Nothing that you say that the Democratic Labour Party did before 1976 will matter when the people come to vote.

The Honourable Prime Minister, in his Budgetary Proposals, in trying to put forward that he has done a magnificent job in reducing taxation from low income earners stated, among other things:

"At that time" — meaning 1976 — "personal income tax accounted for 28.4 per cent of total revenue or 8.4 per cent of GDP."

He went on further:

"Today, Mr. Deputy Speaker, personal income tax contributed 22.2 per cent of total revenue and the share of GDP has been reduced to 5.6 per cent."

He said, among other things, that this reduction did not come about by accident.

What I am getting at is this. He said, for example, that in 1980, 30 000 low income earners were eliminated from the tax roll. I have no quarrel with that. But, listen to this. The Central Bank of Barbados Annual Report in the same 1980, at page 8 says:

"To make up the revenue lost from the reduction of personal Income Tax, the scope of the consumption tax was widened to include seven new items. At the same time, the method of calculating the Consumption Tax was altered to include Customs Duty in the base of computation of the tax."

He took off 30 000 people from paying Income Tax, and it was made good by increasing Consumption Tax, and consumption tax works hardest on the man at the bottom. The people of Barbados should be treated in a better manner.

Mr. Deputy Speaker, I turn now to agriculture. Farmers — and I am speaking because the farmers in St. Philip complain to me daily — are complaining about land tax. They are complaining about levies. They are complaining about lack of Extension Officers — they do not see them; they do not hear them. They are complaining about the prices of inputs, such as fertilisers. They want easy access to credit.

In this report, it is stated that the produce of small farmers in sugar this year was 30 000 tonnes down. All that was stated was that it was because of the reduced activity, whatever that may mean; there is no other explanation. I believe that these problems of the farmers

have to be tackled. If you want small farmers to produce and it is the small farmers, you had better believe it, who produce for the local sector most of the time — they have to be given some incentives.

I turn to the Economic Report. You have heard that agriculture has made leaps and bounds recently. I am reading the 1983 Economic Report of Barbados, page 33 — Agriculture and Fisheries:

"In 1983 the output of the Agricultural sector for GDP purposes reached \$132 million, an increase of 8.1% above the \$122.2 million recorded the previous year."

Page 28 says:

"The current price value for Gross Domestic Product of all agriculture stood at \$124.2 million."

It is not a revised figure because they told me that under this, when it is a revised figure, they put an "R".

One said \$122.1 million, which made the increase this year 8.1 per cent. The other book said \$124.2 million, which would make the increase only 6 per cent. I want to know how there can be this discrepancy in these figures. I want to know where the discrepancies in these figures come from. I want to know what is being amassed as far as agriculture is concerned.

5.55 p.m.

They have stated on page 34 of the Economic Report in 1983 that beans have increased by 4.7 per cent and that beet have increased. In the next column they have hectares planted in 1983: 58 hectares for beans, 57 hectares for beets, 589 for carrots, and right down the line, but nothing is stated about the number of hectares planted in 1982 for us to make a valid comparison.

I took it upon myself to discover the number of hectares planted in 1982. It was not published in either of these documents. In 1983, they planted 125 acres more in beans to get a 4.7 per cent increase. In cabbage, it was 88 acres more; carrots, 112 acres more, and cucumber, 218 acres more. I will show you where that has been masking what is happening. If you plant double the amount of anything, you would expect to get an increase of at least 20 per cent.

Mr. DEPUTY SPEAKER: I hope the honourable Member is not accusing any Member of Parliament of fraud.

Mr. H. A. BLACKMAN: No. I want it explained to me. I am not accusing any person.

Mr. DEPUTY SPEAKER: I do not want you to give the impression that you are accusing anybody in here of fraud. That would be against the Rules.

Mr. H. A. BLACKMAN: I am not accusing anyone. I am just asking questions. Why is it that you state here specifically how many hectares were planted in 1983 and did not state how many were planted in 1982 for us to make a valid comparison? That is what I want to find out.

I turn now, Mr. Deputy Speaker, to the allowances by the Honourable Prime Minister. The Prime Minister proposes changing dependent allowances. The allowance for children over 18 being educated abroad will be increased by less than \$4 a week, while the allowance for a child over 16 years and under 25 being educated in Barbados is less than \$2 a week. You cannot even buy matches with those sums.

The Minister of Finance has found himself in a bind. He had to come with a Budget, but there was nothing to offer. Unemployment today in Barbados is one of the greatest problems in Barbados. Nothing was done here to relieve unemployment. One would have believed that a concession to people who can invest so that they could generate employment would have been made, but there is nothing in this Budget for that.

Now the "Z" buses. Most of those persons who own these — I do not know if to call them buses or taxis — are not rich people. I know this, and I believe this is what is being stated, that most of them plan to run these "Z" minibuses or "Z" buses until the taxes expire and then park them by the Barbados Development Bank and let the Bank dispose of them.

When you say that if a man drives his own "Z" bus or whatever it is you call it, "Z" taxis, that he is going to pay \$5 000, but if he gets someone to drive it he will have to pay \$6 000, what you are telling that man is that there is no way he can help with employment in this country. I do not believe a lot of these comparatively poor people who own these taxis are able to fork out that \$1 000 more just for employing one person.

I believe that these proposals were not well thought out, because when you come to the Stamp Duty, it will undoubtedly increase prices in Barbados. You have a recessionary situation in Barbados at the moment, but you increase Stamp Duty, which will carry up prices and will make inflation go up. What in effect it is, is stagflationary because you have a recession, but you are increasing inflation. That is my view about the Stamp Duty proposal.

The Prime Minister and Minister of Finance, as I have stated on many occasions in here, seems to put on taxes with one end in view, to raise money, with no serious thought as to what the consequences are or will be. We cannot continue to tax people in that *ad hoc* manner. The people in Barbados cannot bear any more taxes,

and I am saying that the Honourable Prime Minister had better look at areas where he can ease the pressure on many of the persons in Barbados. Whether the Barbados Labour Party wants to believe it or not, the people in Barbados are under heavy heavy pressure.

I will say this in closing, Mr. Deputy Speaker, that a Government in power should seek to be re-elected on its performance, not by blaming any former Government or not by masking any of the problems that we have in this country.

Thank you, Mr. Deputy Speaker.

Hon. L. S. CRAIG: Mr. Deputy Speaker, I am not rising to make an address, but I rise

Mr. DEPUTY SPEAKER: On what does the honourable Member rise?

Hon. L. S. CRAIG: To address the Chair. I move that the honourable Member be given half an hour more to address the Chamber.

Mr. DEPUTY SPEAKER: Unfortunately, there is no seconder to that motion, so it falls by the wayside.

Hon. Dr. R. L. CHELTENHAM rose.

Mr. DEPUTY SPEAKER: Does the honourable Member rise to second the motion of the Leader of the House?

Hon. Dr. R. L. CHELTENHAM: I rise to speak.

Mr. DEPUTY SPEAKER: Well, that motion falls by the wayside.

Hon. Dr. R. L. CHELTENHAM (Christ Church East): Mr. Deputy Speaker, the strange logic of the honourable Member for St. Philip South (Mr. H. A. Blackman), the shadow spokesman on Agriculture, has presented me with some difficulty. Apparently his present researches reveal that there has been an increase of acreage devoted to vegetable production, cucumber, carrots and beets, and rather than that constituting a case for rejoicing, it apparently is the basis for his criticising the Government. I would only like to say that I am happy that we have reached record levels in the production of vegetables, and non-sugar agriculture generally, in this country in recent years.

It is really to the response of the shadow spokesman for Finance, the honourable Member for St. Michael South Central (Dr. R. C. Haynes) that I wish to address my opening remarks. I wish to say at the very outset that his contribution yesterday evening represents, in my view,

the very ultimate in destructive criticism. He was determined, and indeed he did succeed, in living up to his reputation as a doomsday theorist.

6.05 p.m.

You will recall that, for many years now, he was predicting in this country that everything would collapse; that prices would get out of control, rather than be moderated as they have been moderated; that inflation would run away; that the productive sector would collapse; that starvation would befall all of us and so on. Yesterday, he told us that every aspect of national life is in chaos, is characterized by disaster and suffering from bankruptcy. Those were his words used again and again in the course of the debate – chaos, disaster and bankruptcy.

He painted a picture of Barbadians generally poor and suffering. He led us to believe that every imaginable illness has now befallen the Barbadian man. And in the same way that the interviewer Ellis, in a recent programme of Point at Issue on the Voice of Barbados enquired at one point whether he was speaking about Barbados or about Haiti, I for a moment did not believe that he was speaking about Barbados. I did not recognise the country.

There was no recognition for the fact that protein intake in this country has gone up; that telephone installations have reached record levels; that a record sum is being spent on external travel, in excess of \$47 million; that we have in excess of 12 000 videos in this country; that our education and health delivery system bears the same features as any rich first world country, and is, in many respects, better than the ones found in the North Atlantic region. All of these are indices of improved standard of living, but no attention was paid whatsoever to them. Instead, we were led to believe that Barbadians are suffering acutely, and that there was starvation abroad in the land. I almost thought that we had returned to the soup kitchens which used to characterize the Barbados of many years ago.

But, in a sense, the honourable Member was reflecting on himself. For it is precisely that lack of a sense of proportion, that exaggerated and distorted approach that informs his every utterance, which yesterday succeeded once again in undermining his political credibility.

In the end, he concluded by saying that he did not understand what the Budget was all about. Many opposition speakers in the course of the day repeated that lie. They seemed to have had expectations of the Budget which no Budget can realize. It is because they have repeatedly made that statement that I think it is necessary to set out some of the principles that informed the Budget.

I think it is necessary to remind honourable Members, and in so doing to remind the public too, that the Budget is just one of several instruments available to the Government to chart and affect the course of national life. The Budget must be seen along with the Estimates of Expenditure, which we approved in this country a few weeks ago. We have set ourselves to spend something like \$180 million in capital development. That is designed to put the nation back to work. All that the Budget was attempting to do, in part, was really to raise some of the money to finance that massive development effort. The Budget must not be seen in isolation. It must be seen along with the Estimates of Expenditure, and it must be seen along with the Government's Development Plan for the next five years, which was recently published.

In dealing with the strategy which informed the Budget, we have to remind ourselves that ever since 1981 when we were returned to office, the international recession was raging in its most acute form, and so Government took a responsible and deliberate decision to introduce measures to stabilize the economy, but at the same time to ensure that whenever there was an upsurge of economic activity, and improvement and an increase in international trade, we would have been in a position, as indeed we are now, to take advantage of that. We wanted to stabilize the economy and, at the same time, moderate prices, keep our foreign reserves in tact, keep down inflation and pay attention to priority development projects that would have improved our productive capacity. That is precisely what we have realized, and, to that extent, we can confidently say that the economy is on course.

Something had to give, however. We had to pay a price for that stabilization effort in extremely difficult circumstances, when there was high unemployment in North America, as high as 22% in Canada and high too in the United States of America. Interest rates were high. There was a slackening of demand for the goods which we produce and sell overseas. Tourists could not travel in the same numbers as they were travelling in the past, and there was an adverse movement of currency valuation against us. We were affected by all of these problems, and one price which we paid was the loss of employment opportunities. But in that respect, we were fortunate, because there are several countries in the world that experienced a virtual collapse of their productive capacity, experienced run away inflation, saw their foreign reserves depleted and saw massive unemployment.

That was not the experience of Barbados. The one area in which we paid for our stabilisation policy, which was a complete success, was in unemployment. And, like the humane Government that we are, we introduced the Unemployment Insurance Provisions to make sure that once you were unemployed, you could continue to draw benefits. Along with that we continued to maintain on

the Statute Books of this country, the most generous severance payments provisions in the world. The result is that when companies ask people to volunteer for severance, many people run forward and say, "Give me the opportunity to be severed." In turn, they draw \$15 000, \$20 000, \$30 000, a few months of unemployment insurance, and then are fortunate still to get a job. So the harsh effects of unemployment were completely mitigated by severance and by unemployment benefits.

6.15 p.m.

The present strategy of the Government, having successfully brought us through this very difficult period with our unemployment higher than it was in 1981, but with employment still high, is to put the nation back to work. That is the reason why in the Estimates which we discussed a few weeks ago, we committed ourselves to spending in one year \$180 million on capital projects. That is the reason why it was necessary, too, in the course of the Budget, to give concessions where we felt they were necessary, but also to raise some additional money in order to finance these important employment-generation capital projects.

Still on the strategy of the Budget, it is not only to be seen alongside the Estimates to put the nation back to work. It was intended to make sure that the emphasis on export growth continues, and that is the reason why manufacturers have been exempted from paying Stamp Duty, which manufacturers pay on their raw materials for productive purposes. That is the reason why we eased the burden at the corporate level by exempting them from the 3% surcharge on corporate taxation. We recognise that the Government cannot carry the full responsibility for the development in the country, and we want to ensure that, in the drive forward, and we think that we are now poised for the drive forward, the private sector will be able to march side by side with the Government.

One school of thought has it, Mr. Deputy Speaker, that successful economic and social management is about balancing tradeoffs. For example, a Government as committed as this Government is to the provisions of adequate and almost ideal facilities for our senior citizens pays high attention to social welfare, but at the same time we have to ensure that it is not done at the expense of reducing the resources available for investment. That is the important tradeoff which you must try to realise. We recognise that the increase in consumption is a desirable goal, but we have to make sure that it is not done at the expense of balance of payments or savings. We need to give enhanced protection to our domestic enterprises, to make them more and more viable, but not to the point where they have a disincentive to export, because it is part of our economic strategy to have export-led growth.

It is because the Budget successfully realises these balances and addresses these important concerns that I

regard the Budget, from the point of view of an economic management tool, as an extremely skillful exercise. It seeks, too, to uplift the standard of living of lower income groups by enabling them to retain more of their income. It does not make the reckless mistake of taking the responsibility of carrying the major lot of development off the betteroff classes. All of these are important balances which we have been able to realise in the course of the Budget.

We are treated year after year to an attack on the National Debt. On this occasion, the attack has been reduced to some extent, and the nature of the attack has shifted. The attack used to be all part of the doomsday thesis, for which the honourable Member for St. Michael South Central is so well known. We used to be told that the Government was borrowing too much money, that we will soon enter into the debt trap, and that we would be unable to repay our loans and to honour our debt obligations. That is not being said anymore. The criticism yesterday was that we have concealed the true debt position and that it is not, in total, the sum of some \$870 million, but in excess of \$1 billion.

Thus far, we have, with ease, been able to repay our debts, and one way in which this entire exercise of evaluating the performance of the country can be intelligently done is to compare and contrast what is happening in Barbados with what is happening in other countries around the world. The position is that, Canada and the United States apart, we are one of the few countries in the entire New World that has been able to honour its debt obligations and repay its loans. Go through Latin America, Central America — Venezuela, Mexico, Brazil, Argentina, Colombia; all of them have had to ask for rescheduling of loans, and have had to say to their creditors quite plainly that they are unable to pay. Barbados has never been faced with that situation, and along with Trinidad and Tobago, the Bahamas and Bermuda, we are the four countries in the New World, Canada and United States apart, which have not been forced to renegotiate our debts by way of rescheduling or simply put their hands up and say they are unable to repay. That is something of which we Barbadians can be proud, and it is a reflection of the good management of the Government, and the good sense of the people.

But, in a sense, the criticism against the Government is no more than a compliment, if you are saying that seven years ago the National Debt was \$230 million under the Democratic Labour Party and that now it is in excess of \$1 billion. People do not lend you money because you want to borrow money. A sovereign Government is rigorously examined. It has to meet high criteria, and if the lenders felt that you were not in a position to repay, they will not lend to you. The fact that Barbados' credit worthiness is high, that we can raise a loan with

ease, and that we have had no difficulty in repaying our debts is a compliment to the Government. But more important than that, the money has been spent wisely.

The honourable Member for St. Michael North (Mr. P. M. Greaves) said today that all the projects that we have been implementing were their projects. I am not getting into that. It seems to me that after eight years, that is ludicrous. The point is that even if you had ideas, you showed no capacity to implement them. We have implemented them, and we can show where the money was spent. We have improved our infrastructure and our productive capacity. Look at Heywoods and at the cement plant. Look at the highways. Look at the improved harbour, the airport. Look at the urban renewal in Oistins and Speightstown. All of that is what we can point to.
6.25 p.m.

Many countries in the Caribbean, and in other Third World countries, are burdened with heavy debts and they can point to nothing. We in Barbados can point to real achievements. One of the areas of greatest success, in my view, has been in the school extension and building programme of the Ministry of Education. I can think of the new St. Patrick's School, the Luther Thorne Memorial School, the L. T. Gay School, the Ellerton Primary School, the St. George Primary, West Terrace under construction, St. Simon's, St. Saviour's, another new school under construction. I can think of secondary schools that have been completely rebuilt — Alleyne School, West St. Joseph. I can think of major extensions to Coleridge and Parry, Parkinson and Princess Margaret, and the extension to Alexandra School now underway. I can think of new secondary schools at Roebuck and St. James. They are just some of the new or improved plants at the secondary and primary level to which we can point.

It has to be appreciated that deficit financing is here to stay. You cannot invest in major projects both for the present and for the long future unless you borrow, and there is no reason why, as was said by the honourable Member for Christ Church West (Hon. H. deB. Forde) the present generation should be made to pay completely for these projects. Those yet unborn will have to bear some of the cost. The important point which we have to bear in mind is that our debt profile continues to be low, our credit worthiness is high, and we have no difficulty in financing the repayment of our loans.

I hope that gradually the Opposition will cease to make the size of the National Debt a point of contention in this country, creating fear in the minds of the public that that is a reflection of some irresponsibility; when in truth and in fact all the intelligent commentators, both on the local scene and on the international scene,

applaud Barbados for the management of its public debt.

I want to turn to the whole question of unemployment, particularly in relation to the approach by the spokesman on Finance. Yesterday he lowered standards in a very serious way, and he seems to be supported to some extent in today's editorial in the *Nation*, when he gave the figure of 10 000 as the amount of jobs lost in the last two years. When prompted by *sotto voce* remarks from this side as to the basis and the source of his figures, he said that he was in touch with the unions, that he had eight employers, whom he did not name, he calls up at least once a year, and it was on the basis of that methodology that he had arrived at the loss of some 10 000 jobs in the last two years.

That is the most ludicrous and unscientific way to go about determining loss of jobs in 1984. It completely flies in the face of the same methodology which has been refined and improved, which used to exist during the Democratic Labour Party's period, the Continuous Household Survey. Notwithstanding the unscientific source of the figures given by the honourable Member for St. Michael South Central, the *Nation* says that on the basis of his figures, arrived at in the most ludicrous and unscientific way, the Government has a responsibility to answer.

I want to say, with great humility, that the *Nation* has some responsibility, in my view, to create the climate in Barbados in which intelligent dialogue can take place on serious national issues, and unemployment is a serious national issue. If you are accepting that the Opposition spokesman can arrive at his unemployment figures on the basis of telephoning eight employers, as he told us earlier in the course of an interview, talking to people and totalling up the figures on layoffs, as appearing in the newspaper, it means that there is no hope of conducting an intelligent discussion about the size of the problem. You cannot ignore scientific methods and have any serious discussion on the problem of unemployment.

To some extent we are the victims of the very high standards we have set in the Barbados Labour Party, because at the end of 1975, there were some 82 000 people in work in Barbados. By the end of 1976, there were 87 775 people at work. In 1977, 87 175 people were at work; in 1978, 89 460; 1979, 95 460; 1980 which was a high point along with 1981, there were 99 400 people at work; in 1981 there were 99 800. In 1982, there was some loss, we were down to 96 600; in 1983, 94 875, and at the end of the first quarter of 1984 — these figures are all published by the Central Bank and available in the Statistical Department, using the continuous household survey method — we had 95 400 people at work.

Notwithstanding the battering this economy went under in the last three years, we still had some 8 000 more people working than when we took up office in 1976. It could only be because of the very high standards that we have set ourselves, whereby people expect to be working regardless of the conditions, that we could be subjected to the criticism which we hear in some circles. My plea is that we must continue to evaluate our performance in the context of what is happening around us. If we do that, we must conclude that we have done significantly well in this country.

I am glad, Mr. Deputy Speaker, to be able to lend my support to the passage of this Resolution, because, in my view, this has been a resourceful Budget. It must be seen along with the Development Plan and the Estimates, and it sets out to address the number one problem in public life today, that is the creation of jobs. It sets out to put the nation back to work, to take the weight off the private sector and to allow them to join in this major creative effort. For those reasons, I am delighted to be able to lend my support to the passage of this Resolution.

6.35 p.m.

Mr. DEPUTY SPEAKER: The honourable Member for St. Michael West. Before the honourable Member begins, would you care to indicate whether you will be the final speaker for the Opposition?

Mr. B. M. TAITT: In the light of the fact that the Leader of the Opposition is coming into the debate, and bearing in mind the time under review, he would have to be the wind-up speaker, Sir.

Mr. DEPUTY SPEAKER: You are not the final speaker on behalf of the Opposition?

Mr. B. M. TAITT: That is correct.

Mr. DEPUTY SPEAKER: So your time will be the same as any honourable Member, as set out in the Resolution.

Mr. B. M. TAITT: That is correct.

Mr. DEPUTY SPEAKER: You may now proceed.

Mr. B. M. TAITT: Mr. Deputy Speaker, the annual exercise of debating the Budgetary Proposals and the Financial Statement has been visited this year, as usual, by flights of oratorical fancies, by expressions of strong commentaries, and by attempts on the part of some honourable Members to dabble in areas that are really beyond their apparent capacity.

I was moved by a statement by the honourable Member for St. Michael West Central (Hon. V. L. Johnson). He said that, for him, it was an exercise in

ethics, and then went on during the course of his speech to establish his moral and technical position. I have one basic regret about this debate on this day. I feel morally bound to observe that it would perhaps have been much better for the country as a whole, if the Government in the course of planning its affairs, had not considered it necessary to have some of us debating the Budget on Thursday, the day which, for many Christians, is the most important day in the calendar, a day which is the birthday of the Church. If the honourable Member and his colleagues would reflect for a while on the situation in the country, the need to observe the moral standards, which used to be the bulwark for our forefathers, I think and I hope that next year when we are arranging our business, we would try to avoid having this very serious situation in which we have to be discussing the annual Budgetary Proposals on this particular day. I regret it very much, but I find myself in that position.

Mr. Deputy Speaker, the theme of this Budget, as I understood it from the Prime Minister and Minister of Finance, would seem to have been a task force and committee Budget. In all of the areas where the population anticipates that the Minister of Finance would be in a position to make serious inputs, not only into the debate, but, of necessity, to create employment in the economy, to get the country as a whole moving, what the Minister of Finance has promised us is that he is going to set up either a task force or a committee on which he hopes to place a representative from almost every area of activity in the country.

It seems to me that another theme has intervened into the debate. As one listened throughout the last three days, especially as those honourable Members on the other side made their interventions, one got the impression that there is a repetition of the statement that Barbados is poised to take off. I well recall the honourable Member who just sat down, the Minister of Agriculture, not so long ago — I believe it was 1979, but, it could have been 1980 — was allegorical in his approach. He told us that there was a cloud hanging over the country, but we had to poise ourselves to be able to fly off into the great blue yonder when the cloud should break for just a moment. I recall the Honourable Prime Minister, soon after becoming the Prime Minister, having a phone-in Press Conference, and indicating that they were putting the country into a position where they would be able to take off. Eight years of putting the country into a position where it would be able to take off, and they have the temerity to come into this debate today and yesterday and to suggest that anyone who says that the people in Barbados are hungry is out of touch with reality!

Mr. Deputy Speaker, those of us who represent people seriously must come into contact on a daily basis with the suffering in this country. The honourable

Member for Christ Church West Central suggested that we ought to be realistic in debate. I want to offer to the honourable Members on that side, the simple advice that realism is not a sin and, therefore, it is possible for them to be realistic as well. I know of my own knowledge, based on my experience in my constituency, that there are persons in that constituency who eat every other day. That is a fact. I heard honourable Members suggesting that we have such an advanced social system in this country that it is designed to see that no one goes to sleep hungry, that all he or she has to do is to find a way towards the Welfare Office and he or she would be subsidized. I beg those honourable Members to tell us the way in which this can be done, so that we can tell our several hundred constituents who have these problems where they can go and get this subsidy.

Further, Sir, the Minister responsible for Finance, in the course of the presentation of his Budget, indicated that he was going to continue to assist the old aged pensioners with the payment of their water bills. I implore that honourable gentleman to give us some indication as to how we may induce, invite or otherwise assist those poor people in our constituencies who are pensioners, who have come to us and told us that the Government has tricked them. Just prior to the election of 1981, they told the old people that they would pay their water bills for them. After 1981, and up to the present 1984, I have been unable to find a single old aged pensioner in Barbados who has had his or her water bills paid. I have no apology for saying that on several occasions during the last two years, I have personally subsidized a number of pensioners who, having sent their water bills to the Welfare Department, and after having had those water bills kept at the Welfare Department for long periods, in excess of six months on some occasions, have had the water bills sent back when the Water Authority was pressing upon them with a view to cutting off their water.

The Honourable Minister responsible for Finance may indeed be living in a fool's paradise if he can state categorically that he is unaware of the suffering of the people of Barbados. But above and beyond the suffering, there is a psychological fear in this country, which it does not behove any of the honourable Members in this Honourable House, from either side, to pretend that they are ignorant of. It is a fear that has been brought about by a concept of harshness in the way in which the Government deals with the people of this country. It has been brought about by the attitudes which have been emanating from the Ministries, and which can be manifested in the way people now perceive the public sector in Barbados.

6.45 p.m.

The honourable Member for Christ Church East once brought a Resolution to this Honourable Chamber

which sought to have a re-organisation of the Public Service. He indicated that, in his view, the public sector, and more particularly the Civil Service, was in urgent need of re-organisation and re-examination. I state that the morale of the Public Service in this country today is lower than it has ever been in the entire history of Barbados, and I say that has been brought about, correctly or incorrectly, by a perception of a political directorate which is not only harsh in its approach to problem solving, but because the impression, even if it is not so, is that it is vindictive, spiteful and dangerously wicked. Those are impressions which people who deal with them on a daily basis have come to perceive, and this perception has permeated the entire society and is now outside in the wider community, such that whether it is true or false, that is how people feel.

There is no need for us to spend three long days exercising ourselves in definitions that are in fact trite in terms of what constitutes the economy of Barbados. There are three basic sectors to this economy: there is agriculture, which has always been with us; there is tourism, for which I hear honourable Members claiming some credit, but which has been with us in a significant way between the period 1962 to the present; and then there is manufacturing. One of the unfortunate inputs in this debate was when the honourable Member for St. Michael Central (Mr. A. Truss) took it upon himself not only to enter the debate, but to cast aspersions on the performance of certain honourable Members on this side.

Mr. DEPUTY SPEAKER: Every Member is entitled to enter the debate.

Mr. B. M. TAITT: Oh yes. I have no difficulty with that at all.

Mr. DEPUTY SPEAKER: Therefore, it is not unfortunate that he entered the debate.

Mr. B. M. TAITT: For me, it was unfortunate, because under the Constitution of this country it says that — I think it is section 15(1) of Cap. 3 — no one should suffer cruel or inhuman punishment or torture.....

Sir, I shall not go any further on that.

The point I am making is that that honourable Member had the temerity to cast aspersions on the performance of some honourable Members over here. I will merely say this in passing. If the honourable Member wishes to check the contributions, all he needs to do is to drive into any of the industrial parks, any single industrial park in Barbados, park his car, get out and look around and he will see a monument for all time to the contributions that have been made by this side, and certain Members on this side in particular, in the context of developing this country. Industrial development only

formed a significant part of the Gross Domestic Product of this country during the period 1963 – 1984, and it has grown faster than any other sector of the community.

I am going to deal with two of these sectors in the limited time available to me, and I am going to deal, first of all, with tourism. It is significant that the Deputy Prime Minister is the Minister responsible for Tourism. We had a discussion over the hour that was granted to the Deputy Prime Minister, and he spoke for the full hour, and it is significant that he found it unnecessary or impossible to make any reference, or indeed any significant reference, to tourism in this country. That is phenomenal, because if there is a sector that cries out for the assistance of the director, it would be tourism, and I am not original in that. You are aware that the Prime Minister himself, only a couple of months ago it seems, wrote a letter in which he himself stated that the directors of tourism were at least as dangerous as a hurricane, and no one could assume that he could say that without some reference to the Minister responsible for Tourism. And yet, in 1984, the Budgetary Proposals can show no appreciable input towards the movement of tourism forward, and we had to rely on the distinguished Member for Christ Church West Central (Mr. M. A. King) to have tourism discussed in any meaningful way in this debate.

The Opposition is not required to discuss it, but we will have to discuss it for you. The shadow spokesman for Finance has outlined for you some of the ills, but let us tell you what the real problem is. You have set up a series of offices in the western part of the United States which are a waste of the people's money and the people's time. You have continued along a path that is obviously not productive. You do not seem to understand that tourism promotion needs constant care. When you are dealing with a country the size of Barbados where 300 000 visitors is a bonanza, you do not need to spread the resources available to you across the entire United States. You can do as was done in the past. You should intensify what was done in the past. You should seek to see if what was done in the past was worthwhile, extract it and increase it. You can operate on the Eastern seaboard of the United States, where there are at least 60 million people, and you can operate every day, twenty-four hours a day. Given the resources we have in Barbados, you will never exhaust that market. Instead, what we have is a series of junkets which go into every nook and cranny, sometimes up in the Allegheny Mountains. This is a waste of the resources of the country.

I go further. You have a Minister of Finance who is supposed to be a boy genius, and yet every year he continues an error that was made even during our time, a misconception that somehow Barbados is so endowed with the blessings of God by way of its environment and climate that people will rush in their thousands to

come to Barbados. It is not recognised that you have to go and tell them. Believe it or not, there are people in the world who have never heard of Barbados. You have to go and tell the people to come, and you have to tell them often – and you have to tell them every day.

Mr. Deputy Speaker, I have never found it easy to agree with anything said by a certain gentleman in the Other Place, but if it is one thing he has said in recent times with which I can agree, it is that you have to inject more money into the promotion of tourism.

Secondly, you cannot take your best people and use a moral flaw in their character to remove them out of your professional cadre of tourist promoters. It takes about fifteen years to create a person who understands the industry well enough to promote it, especially in hard times. You destroy these people by whim and fancy, thereby contributing to the reputation you have for harshness, and at the same time depriving the community of the quality of a person like that. It does not make sense. We are not little people who must operate at a whim and fancy. We are a people who aspire to being a great nation. You have done the same thing by sleight of hand when you look at industry.

But let me finish with tourism. In this country today the Minister of Finance has just placed some additional burden on the travelling public. Presumably, he was seeking to touch the local public, but does he not recognize that he has added yet another burden to the cost of those people who come here as visitors? 6.55 p.m.

Mr. Deputy Speaker, the visitors who come to Barbados now are of a different quality than those who came to Barbados fifteen years ago. They stay for shorter periods. They have less money. If we are to make it worth their while to have them here at all, we are going to have to find ways and means to make them spend money – but make them come back.

He has increased the cost of a hired car in this country, after recently passing a law to make it more difficult to get a licence. It would now cost a visitor US\$15 to drive in Barbados for one week. No visitor is going to bother with that when it costs him less than that to drive in America for three years. The visitors who come here now catch our buses. So any time you drive away business from the hired car sector of the tourist industry, you are creating a further problem.

You have also increased the departure tax. You laugh and say, we are putting the burden on the visitor. But do you not see that as you put the burden further on the visitor, you are making it more difficult for visitors who come to Barbados to enjoy their stay on the limited funds which they bring, and more difficult for them to return?

I am going to say something which somebody would say is not true. I have been told by a proprietor in this country, quite seriously, that he saw a visitor counting the slices of one loaf of bread and comparing them with the slices in another loaf of bread to decide which one to purchase. That may seem funny to him, but that is how people shop in the United States, and it demonstrates the kind of visitor we are getting in Barbados.

Assistance in the tourist industry requires a commitment of the person who has the responsibility for directing tourism. The Deputy Prime Minister must not feel that persons are attacking him personally, if they call on the Prime Minister to recognize that there is a necessity for a full-time committed director of the tourism product in this country. I join with those who call for a full-time Minister of Tourism, devoting most of his time to tourism. It is not casting aspersions on the distinguished gentleman, and it is not necessary for his colleagues to get up and say how good and brilliant he is. No one has ever disputed that. What one is saying is that, like a mule that has been overburdened, you have to lift some of the burden and shift it to somebody else. In any event, you have to bring someone and give them a job to do, because this is the major earner of our foreign currency.

Secondly, manufacturing. This country has been defrauded with propaganda. This country has been told time and time again that we are doing well, when the truth is there for all to see at least those who can perceive.

Mr. Deputy Speaker, the net number of jobs between 1978 and 1981 were exactly 340. The honourable Member for Christ Church East Central can go and check the figures and see that the nominal net increase of jobs between 1978 and 1981 were 340. But the money we have spent in the Industrial Development Corporation and the Export Promotion Corporation together add up to more between 1978 and 1981 than for the entire time of the Democratic Labour Party, or something near to that. We had four or five persons in the Industrial Development Corporation during our times, and we brought a substantial and significant amount of industry to this country. We have expanded now. We have one General Manager, three Deputy General Managers and a whole host of divisions. What have we to show for it?

The Export Promotion Corporation, as I have said before, has been performing creditably in the last two years or so. The first two years were a waste of time and money. But even so, we have told the people of Barbados that we have gone and promoted and that we could look forward to sweets. Do you know that the recent trip to Albany was nothing more than a total, general ripoff?

Do you know that not a single, solitary order was received from that trip to Albany? Read the newspapers in this country and you will see that the impression has been given, either through ignorance or for whatever reason, that we have done extremely well with the Partners of America. Do you know how many partners there are in the Partners of America? A husband and wife team! That is the extent of the discussion of a trip to Albany!

I have come to this Honourable Chamber and questioned the Minister responsible for Industry about a recent trip to Korea. Decency precludes my mentioning the full details of the trip to Korea. I would merely say that as a taxpayer, I object and reject what occurred in the name of export promotion on a trip to Korea recently. I will say no more on that.

We have to turn to the Caribbean Community. We in Barbados must not fool ourselves that we are ready to take off into any extra-regional markets. We have not brought our industry to a state yet where we can exploit the markets that have been alleged under the Caribbean Basin Initiative. We have to put money into the infrastructural development of the industrial sector, so that some time in the not too distant future, we would be able to avail ourselves of the opportunities that have been created. But it is blatantly wrongheaded to continue to give the people of this country the impression that something substantial is hanging in the area of the development of the industrial sector and that the manufacturing sector is poised to take off. To take off and go where, Sir?

We do not need more than an infinitesimal decimal of one per cent of the entire US market for our entire fortunes to turn around. What we need to do is to place ourselves in that position. Within the context of the Caribbean Basin Initiative, we need to bring into Barbados expertise and assistance so that our manufacturing would not fall prey to the difficulties which now present themselves.

Do you know that the Central Bank building, which did not form a single sentence in the Prime Minister's presentation of the Budgetary Proposals, is now about to fall prey to an error that was made with another private building in Barbados. All of the furniture to go into that building that would cost over \$100 million is about to be given to manufacturers outside of Barbados. Our money! And then, the Deputy Prime Minister gets up and says that he is not in favour of protection!

Mr. Deputy Speaker, I put it to you and the honourable Members of this Chamber that it is protection that allows the furniture industry in this country to be at the stage where it can now be described as the one and only export sector that is functional in the growth of the

total export sector. It was the protection when, as Minister, one had the courage to say that we were going to protect the local furniture industry. That was the beginning of the takeoff of the furniture industry.

(Aside: Which one?)

Mr. B. M. TAITT: Mr. Deputy Speaker, you participated in this. It was the courage to protect BARPAC in the light of all of the difficulties which now put us in a position where we can talk seriously about having an agro-industry.

Mr. DEPUTY SPEAKER: I, realise you have less than one minute.

Mr. B. M. TAITT: That is fine, Sir.

What in essence I am saying is that BARPAC has led the way, and now we have a large number of manufacturers emerging from the trading sector in this country, who have gone into the manufacture of agro-industry in this country.

Mr. Deputy Speaker, I can only say that the Budget has not addressed the serious infrastructural problems which, until they are addressed, remain a burden on the people of Barbados and leave us wallowing in the difficulties which have been, for the last three years, the lot of the massive majority of the people of Barbados.

Thank you very much, Sir.
7.05 p.m.

Mr. DEPUTY SPEAKER: Can I hear someone? The question is

SUSPENSION

Hon. L. S. CRAIG: Sir, I beg to move that this sitting be now suspended for a half hour for dinner.

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.
7.08 p.m.

ON RESUMPTION

Mr. DEPUTY SPEAKER: The sitting is now resumed. The Right Honourable Member for St. John catches the eye.

Rt. Hon. E. W. BARROW: Mr. Deputy Speaker, Order No. 31 of the Standing Orders of this House, found on page 40, ordains that the two sitting days, which are

immediately following the Annual Financial Statement and Budgetary Proposals, shall be allotted to debate thereon. Order No. 31(2) stipulates that the total debating time shall not exceed, on either of these days, the maximum debating time allotted by Standing Order No. 6 for a day's sitting.

Mr. DEPUTY SPEAKER: Before the honourable Member goes any further, I would like to draw his attention to a Resolution which was passed in this Honourable Chamber which has suspended Orders 21, 30, 31, and 32. So we are now operating under this Resolution.

Rt. Hon. E. W. BARROW: I am specifically referring to Order No. 31, because I am a bit at a loss to know whether we are going to continue this debate until Good Friday. However, since you have suspended Standing Order No. 31, what is standing in its place?

Mr. DEPUTY SPEAKER: The Resolution which was passed on Tuesday.

Rt. Hon. E. W. BARROW: It is also significant, Mr. Deputy Speaker, that the right honourable Member for St. Thomas chose the day of the celebration of the Feast for the Passover for the introduction of his Financial Statement and Budgetary Proposals. I know that there are certain Members on the other side, particularly the Member for St. Lucy and the Member who is now the Minister of Transport, both belonging to the same persuasion, who during last year's discussion claimed that they had the exclusive privilege of having the Lord on their side. I do not intend during this debate to introduce any such claim on the behalf of the political party of which I have the honour to lead. My reference to the Feast of the Passover is a rather ironic one. The 17th day of April, 1984, is the first day of the first month of the celebration of a rather distressing event, according to Exodus 11, 12, and 13, in which the Lord decided, if history is accurate, to eliminate all of the first born of the people of Egypt; man, oxen, and beast alike, whether they were infants or whether they were fully grown to manhood or womanhood. That is the interpretation of the vengeful Jehovah.

It seems to me a rather distressing way — and I do not accept that there is such a thing as a vengeful Jehovah — in which to impose on the person, the Pharaoh who kept the people of Israel in bondage for 430 years, that they should let his people go. But listening to the Budgetary Proposals, it appears to me from time to time, and particularly on this occasion on the feast of the unleavened bread, that the honourable Minister of Finance is taking the Bible too literally in believing that there is some vengeful Jehovah, following upon whose example he must now reap vengeance on the suffering masses of the people of Barbados.

Whatever interpretation one may give to Exodus 11 and 12, it was purely allegorical and not to be taken in its literal sense. We know that, according to what is written here, after the Angel of Death passed over the land of Egypt, Pharaoh became persuaded that these people should no longer be confined within the national boundary of his country and he acceded to Moses' plea to let the people of Israel go. Our plea on this side has been to let the people of Barbados go. But we do not wish them to be the recipients of the kind of vengeful wrath that was inflicted upon the Egyptians before this event can take place.

7.45 p.m.

Having said that, there are just one or two items to which, unfortunately in my reply of a short 60 minutes' duration, I am constrained to divert, because the right honourable Member for St. Thomas always throws in certain half truths and misrepresentations unnecessarily in his deliverance from time to time.

He said during the course of his remarks that he was forced to reply on the same day as the then Minister of Finance, which was your humble servant at that time, made the Financial Statement and delivered the Budgetary Proposals. The truth of the matter is that for about three years, the then Leader of the Opposition, who is now the Right Honourable Prime Minister and Minister of Finance, had been complaining, to use his expression, that the Government had been hogging television time, and that it was the practice in the Mother of Parliaments, whose antiquity goes back 700 years, for the reply to the Financial Statement to be delivered immediately after the Chancellor of the Exchequer had told the nation what proposals he had in the way of taxation and matters of that kind in his financial statement.

He also said that there were two speeches, one by the shadow Chancellor of the Exchequer, and one by the Leader of the Opposition. He kept up this refrain — I have the debates here, Mr. Deputy Speaker — so that in 1976 the then Leader of the House wrote him and informed him that he could reply immediately after the Minister, if he felt so constrained, and he pointed out the rule to the then Speaker, which I have just quoted, Standing Order 31, Rules 1 and 2, which stipulated that the debate should follow on the two days immediately following, and that since he had the Resolution, he was being called upon to break the Rules of the House if he replied immediately.

One cannot approbate and reprobate at the same time, but this is a skill of political gymnastics at which the honourable Member is adept. Having demonstrated that he was being forced to do something that he did not want to do, but which he had been calling upon us to allow him to do for three years, he then said he had a

Resolution and he was ready to speak. At that time we did not have this marathon exhibition before the cameras, which perhaps one could more aptly define as an interminable soap opera. You know what a soap opera is, Mr. Deputy Speaker, Days Of Our Lives, Peyton Place. It was described by one writer as having different actors saying the same things over and over again. The basic things do not change, and events move inexorably towards some pre-ordained ending. Of course, the actors never control events, they are defined by the written script.

Mr. DEPUTY SPEAKER: I hope the honourable Member will do us the favour of making the document a document of the House.

Rt. Hon. E. W. BARROW: I will cut out the paragraph I have quoted, the three lines, and make that a document of the House.

Mr. DEPUTY SPEAKER: I do not think the Rules allow for that.

Rt. Hon. E. W. BARROW: The Rules allow what I quote to be made available, and I certainly will make that available. That was written by an eminent professor speaking on the economy of Puerto Rico. Since there are other experts which are relevant, perhaps I had better give you the whole page, Sir.

What I am saying is that the honourable Member gave the impression that he was prevented from speaking. At that time we made it clear that the Leader of the Opposition or the person replying on behalf of the Opposition would have the same time on television as the Minister of Finance, and that he could speak for three or four days if he so desired, but without the benefit of television.

I am sorry, Your Honour was not quick enough to pick him up on calling somebody's name and actually giving misinformation on the certain gentleman, whose name I will not call. He said that one of the Ministers ordered the television people to unplug the cameras. He called the name and he did not give you notice. He did it so quickly by legerdemain, so that although Your Honour is usually alert you were not able to detect the sleight of hand as quickly as you normally would.

I think this is most unsatisfactory. I really do not wish to waste any more time, but the debate is here. The full debate is a document of the House, and this is what the honourable Member said at that time.

We did not conduct a soap opera in those days. We felt the people should know what impositions of tax there were going to be. Our debates usually took place near to the end of the month, on this occasion it was on

a Friday, and we felt that the country should know what the Opposition's views were also over television, and they were given equal time. What they now describe as equal time is two to one, or three to one, two Members on the other side speaking to every one of ours, and everyone taking part in this soap opera, with it moving inexorably towards the pre-ordained ending.

The writer, Professor Jose Villamil at the University of Puerto Rico, went on to say:

"The local parties act as if they really mattered. Ultimately the status question is being decided by the erosion of the economy, by the United States and its geo-political interest, and by the technological and cultural changes occurring in the world. A process of decay has been taking place over a period of many years. The Government can no longer provide the most basic services. Indeed, the private sector has been very active in stimulating the amazing growth of private security services."

I said about three years ago, when we speak about relieving unemployment, that we were turning ourselves into a nation of security guards. Most of the security guards that I have come up against are people who look very smart in their uniforms. They are glad to have their jobs. Some of them take these jobs at great risk, but it is one of the most unproductive, boring jobs that anyone can have in Barbados. It is not producing anything for this society. What we have noticed during the past few years is, both inside and outside the Government, not only a down playing of the efficiency and the services of the Royal Barbados Police Force, but a proliferation of security guards both in the private and in the public sector.

On that occasion in 1976 this is what transpired.

"Mr. SPEAKER: I would like to hear from the Honourable Leader of the Opposition whether it is his intention to reply to the Budgetary Proposals now."

The Minister, the honourable Member for St. Thomas, replied:

"Yes, Mr. Speaker. I have been asked by the Government to do so and I intend to do so. I have come here prepared to do so."

7.55 p.m.

And this is what I said:

"Mr. Speaker, I should like to make the Government's position clear. On several previous occasions the honourable Leader of the Opposition had indicated that he could reply immediately so the Leader of the House wrote to him and told him if he chose to reply today, he could. Now I do not entirely agree with the interpretation of the Standing

Order, but if it means a suspension of the Standing Order and the honourable Member elects to reply today — I understand he has two capacities, first as Leader of the Opposition and then as the financial authority — he can reply twice. Insofar as the coverage is concerned, he will only get one coverage."

I am quoting, Sir, so you will forgive me for this story.

"It is like the Apocryphal story of the fighter pilot, who shot down two Focke Wulfs but only got one medal, which is well known to the honourable member."

This is a story of a former Head of State in the United Kingdom who, unfortunately, had a stammer and he said "Fight Officer Smith, I understand that you shot down a Focke Wulf" and he said, "Sir, Your Majesty, two Focke Wulfs" and the reply to him was, "Yes, but you only get one medal."

What I was telling the honourable Member at the time was that he could have two replies. He could have one that day and one the next day, but he was only going to get the same exposure on television that the Prime Minister and Minister of Finance had enjoyed. Having said that, I want to put it aside because time is too precious.

The Prime Minister has an unfortunate habit of wasting time by misleading the public and throwing out stories which are based on half-truths and not on the whole truth. The whole Budget is an exercise in deception. I will illustrate to you, Mr. Deputy Speaker, exactly what I mean.

The Prime Minister came in here and he said that no one who was working — I do not want to misquote him because, but obviously if every time I have to pick up something and read it and make it a document of the House, my time is going to run out very, very quickly — for less than \$145 a week would have to pay any income tax.

I wonder if he would do a little arithmetic with me. Under the present status — now, this does not apply to this year's; this applies to next year — I figure that \$140 a week is \$7 280 a year or somewhere around there. Now, a single man with no kind of commitment whatsoever, no support of children, no insurances to pay, just the bare personal allowances, would start off by getting in income year 1984 a \$3 000 personal allowance, and that applies to every one except married people who get a larger allowance — I think it is \$4 500, according to the Prime Minister.

This year, in filing your income tax allowance, the personal allowance is, I believe, \$2 400 but his

proposals refer to year of income 1984, year of assessment, 1985. If you follow me closely, you will see where I am heading. The personal allowance is \$3 000, so if you take \$3 000 from \$7 280, you are left with \$4 280. In that bracket, the tax starts at 10 per cent. Up to \$5 000 it is 10 per cent, so it means that his taxable income being \$4 280, 10 per cent of that will be \$428.

In the year of income 1983/84, and I have the tax form before me here somewhere, the tax credit was \$360. The tax credit next year, as far as I remember – the Minister can stop me if I am wrong – I believe is going to be \$400, but the Income Tax is only going to be \$428. So if next year you take off the tax credit, the Income Tax will be \$28. Do you follow me?

Asides

Rt. Hon. E. W. BARROW: The Prime Minister says he does not follow me. He is the mathematician. I have not come to that yet. He is reminding me that I have left out National Insurance, the Transport Levy, and the Health Levy. But I was saving that, because \$28 looks as if the man, in a crude way, has no responsibility whatever.

Let us look at the other taxes which he can claim as deductions. There is the National Insurance deductions and his various other levies, which amount to 15 per cent of his salary. Eight per cent of \$7 000 is about, let us say, \$580. You take out the \$580 before you get to the 10 per cent, so, literally, he is under no tax obligation at all. There is a \$3 000 allowance before you get to your taxable income. Therefore, those people are not in a tax bracket at all, so he does not have to say that he is giving anybody anything. What he could probably say, with a greater measure of truth, is that as a result of his increasing the allowance for everybody from \$2 400 to \$3 000, a single man without any children and without a wife, working for \$145 a week, would not be paying any tax. It is a different thing from giving instructions to the Commissioner of Inland Revenue not to collect any tax from people working from \$145 a week.

8.05 p.m.

The general impression has been spread around this country that only certain levels of people pay Income Tax. The Prime Minister dispelled that rumour in his Budget Speech by saying that 150 000 taxpayers are supporting the old age pensioners, and it is true. I will deal with that in another context not very long from now.

There are approximately 60 000 persons in Barbados who file Income Tax returns, and who are eligible to some extent or the other, of medium and reasonably high levels of taxation. Most people get back refunds on a total pay as you earn basis when you gave the dispensation to people in the lower brackets, people

working for less than \$200 a week. The Government is not losing anything like \$2 million. You can take that from me, and we have done an exercise whereby, as a result of the disclosure by the right honourable Member for St. Thomas during the course of the Estimates that he expected to get a surplus of more than \$30 million, we found that there were pressures on all classes of people except the very wealthy in Barbados, the beneficiaries of the Feast of the Passover – and I am not referring to the honourable member, my friend on the other side, I am referring to the rich people in Barbados who have the blood smeared on the lintel posts of their houses when the avenging angel was passing by. We said that because of the various hardships, the levies, the inordinate rise in the cost of living, the cost of transport, the cost of food, that to begin justice, not to do complete justice, that all persons with taxable incomes of \$12 000 and less should be freed of paying tax.

It would cost the country less than the \$30 million. I know that the honourable Member has been working on this and he is going to tell me it is \$35 million, but I am going to tell him that if he has had as much experience as I have had in, let me say, the snowball effect of tax relief, for want of a better word – and I do not want to be too elegant in such a short time – that there is probably less than \$21 million which the Treasury would suffer, as he will know. He still has \$10 million in his pocket.

So one would have thought that the Minister of Finance would then look around for ways in which he could spread the joy of the extra \$10 million which he has to a little wider section of the community. Old age pensioners do not come into it at all; National Insurance is looking after them. He could say that he was keeping the \$10 million to help pay for the increase in civil servants' salaries, and we would have accepted that. But in addition to the \$30 million which he expects to save, he has imposed another \$31 million in taxes, and according to him, he has given tax relief of \$10 million, which I do not like to do.

The Honourable Leader of the House is always challenging people to do this and to do that. I am not challenging anybody. There is a gentleman called Mr. King. He is a great promoter in the United States of America. The Leader of the House would put him out of business overnight because he would be the greatest promoter the way that he goes about challenging people. I cannot remember his first name. Do you know his name?

Asides.

Rt. Hon. E. W. BARROW: Mr. Don King. He issued more challenges in the space of one month in the House of Assembly than all the middleweight, bantamweight, lightweight, heavyweight contenders in all the boxing associations in the world; so he is greater than Don King.

I am not challenging the honourable Minister. If he had given that relief on taxable income when he was speaking about the \$145 a week — he said people earning \$145 a week, he did not say taxable income — there are people with incomes of \$30 000 to \$40 000, which include, if they work for no other money, all the backbenchers in the House, all well below that bracket, who would not have to pay that tax at all. I am not appealing to their basic incomes, because I understand that their salaries are now about to experience another phenomenal rise. Every single backbencher in this House, if he had no other occupation, would not have to pay any tax, or if he had no other source of income, because it is on the taxable income after all the deductions and losses and everything else.

Think what that would mean to the reflation of employment in this country, Mr. Deputy Speaker. To begin with, all those people in the \$12 000 taxable income bracket would have an extra \$200 a week to help pay off their mortgages, to spend on their children's education, to do some improvement to their homes, to pay off some of their debts, and even perhaps to enjoy a holiday abroad if they had any money left over. That would be a direct infusion of purchasing power into the economy to the tune of \$30 million a year, a large part of which would enure to the benefit of the Government itself.

I want to get right down to what I consider brass tacks. I do not regard managing the affairs of a country or speaking on any Budget as any kind of soap opera. A Government is about people, managing the affairs of people who live within a certain geographical confine, and that is what we seem to ignore when Members get up on the floor of the House and try to outdo one another in saying this group of people did not do this and this group of people did not do that, and beat themselves like King Kong on the chest saying we have done this for you.

There is nothing that you have done that you have put your hand in your pocket and do for the people of Barbados. You have not even exercised your minds on behalf of the people of Barbados. What you have done is to overtax the people of Barbados during the past eight years to the tune of \$3 000 million, which is three times the population of China, which the honourable Minister wanted to help so much.

Government is about people and you have not done anything for them. What you are telling them at Budget time is what more you are going to do against them and how you are going, if you have it in your mind and your good intentions, to relieve some of the burdens which you have already inflicted on them. The genius of the present dispensation is presiding over the destinies of the people of Barbados, and I hope that I will be forgiven for saying what I am saying now, but you know I cannot restrain myself sometimes. Once

when I went to New York there was a function and a group of ladies came up to me, — I hope the Member of the House is not going to hide his head in embarrassment because I consider it a compliment — and do you know what they said to me? They said "Skipper" — they do not call me Mr. Barrow; they either call me "Dipper" or call me "Skipper" — "Skipper, do you know what we like about the man that you sent up here? He does not leave out any of us!"

8.15 p.m.

(Hon. H. B. St. JOHN: Is that Taitt?)

Rt. Hon. E. W. BARROW: I can say that again, because of my powers of selection and his ability.

Rt. Hon. E. W. BARROW: But I should like to take the same problem up with the Minister of Finance, when it comes to putting burdens on the backs of the people of Barbados, he does not leave out any of us.

Laughter.

Rt. Hon. E. W. BARROW: Do you know why? He himself let the cat out of the bag almost in the same breath when he was speaking on the subject of taking 8 000 people off the tax roll.

Mr. Deputy Speaker, he said the 150 000 taxpayers in Barbados will now be helping to pay. He is right; these things slip out from him from time to time. No matter what he starts off writing, the truth comes out like murder sometimes.

The whole thing is this. People in Barbados do not realize that whether it was a result of the persuasion of the members of the International Monetary Fund or not that the Constitution of Barbados, which I have before me now has been flagrantly distorted and disobeyed, when all funds raised should be paid into the Consolidated Fund, we have entered into a new era which sees mostly American graduates from Wharton Business College, Georgetown University and the Massachusetts Institute of Technology who, like some of my former assistants now employed by the present Government, have never done an honest day's work in their lives.

Laughter.

Rt. Hon. E. W. BARROW: But they are charged with the right portfolio. Information is the right thing.....

Laughter.

Rt. Hon. E. W. BARROW:.....because if they go into misinformation, they have got the right job.

They come down here and want to dictate. This is one of the dangers of the IMF. They have nothing at all to do with our Constitution. The way to get around this thing now is to set up levies. A levy is a direct tax on a person's income. You do not get any deductions or any allowances at all from it. So you have a Transport Levy, a Health Levy, and an Employment Levy, levies which have made so much money that the Prime Minister himself has admitted that he is embarrassed by the amount of money that he has and he does not even know what to do with it. The point is that that money should have been paid into the Consolidated Fund, and Parliament, you and me, all of us in here, would be able to say whether we approved or disapproved, not only on the quantum of the impositions which were put on, but also in the way in which they were spent.

I now quote from the Constitution of Barbados. I had a hand in framing this Constitution. Article 107 states that:

"There shall be in and for Barbados a Consolidated Fund, into which, subject to the provisions of any law for the time being in force in Barbados, shall be paid all revenues of Barbados."

Article 108 says:

"The Minister responsible for Finance shall, before the end of each financial year, cause to be prepared annual estimates of revenue and expenditure for public services during the succeeding financial year, which shall be laid before the House of Assembly."

All of us know those provisions.

The danger that I am pointing out is this. We have set up funds, some of them under the collection agency of the National Insurance, some of them under different commissions, the Transport Commission and so on, but this House has absolutely no control over what happens to those funds. I am for the time being at least Chairman of the Committee on Public Accounts. When you refresh your memory, Mr. Deputy Speaker, on the status of the Committee on Public Accounts, you will find out that the Committee on Public Accounts has no control over those expenditures and revenues at all. That is a fact.

I was privileged to be selected about three or four years ago, among six persons — they were supposed to be experts, but since I was one, let us say five experts and myself — to look into the control of public expenditure. The Report has been published. I have a copy. I hope they sent you one, Mr. Deputy Speaker. We examined the procedures for the control of public expenditure throughout the Commonwealth. I asked them to send one to the Prime Minister. We went rigorously into

all the House of Commons Committees, and those of Canada, Australia, Zimbabwe, every single country in the Commonwealth. The only criticism they had of Barbados was that we had such a small Legislature, as the Prime Minister himself would tell you, that it was very difficult to have a workable size committee on public accounts, so that we could hold meetings as frequently as we should.

That is an experience which we are still suffering from. It is not in any way due to the delinquency of members on the Government side. The Member for St. Michael Central (Mr. A. Truss) always attends. The Deputy Speaker, who is occupying the Throne of Grace at the moment, always attended, and when he could not attend, he would send an excuse. The Member for Christ Church West (Hon. H. deB. Forde) always tried to attend. But he has such a catholic — not meaning ecumenical, I mean a widespread legal practice — that frequently he had to ask to be excused, so that he could travel to the four corners of the earth. But the Committee of which I was a member said that one of our drawbacks in a small country like Barbados was that we could not have a proper sized committee on Public accounts with the kind of specialized staff that could make proper investigation of the expenditure of public monies.

I have listened to all the contributions that have been made on both sides. I do not intend to infringe the Rules of this House by repeating any of the arguments that they have so ably advanced over the various sectors and the portfolios for which they are held responsible. I am not going to say anything derogatory about the contributions made from the other side. I must confess that the first lord of admiralty and minister of snowcones did not stick to the script, and I found it difficult to keep the television turned on when he was speaking. But apart —

Mr. DEPUTY SPEAKER: We have no such Member in this Honourable Chamber.

Laughter.

Rt. Hon. E. W. BARROW: He is not in this Honourable Chamber.

Laughter.

Mr. DEPUTY SPEAKER: He is not in here.

Rt. Hon. E. W. BARROW: I agree with you, Sir.

As I was saying, I am not here to criticize them. We expect that kind of thing. They delivered a carefully segmented attack on the honourable Member for St. Michael South Central (Dr. R. C. Haynes). I do not know why it is that they are always attacking St. Michael South

Central. They are always attacking the Member for St. Michael South Central. They attack him even more than they attack me or any of the other Members. I do not know why it is so. He must be what a very famous West Indian cricketer — one of the three Ws — described to me as a gorrillaphant or a lion politically. One is dead unfortunately, and two are alive. But this is what was said some five or six years ago.

It appears to me that the existing Constitution, laws, rules and provisions for the proper administration and control of Government's finances in Barbados are excellent and will require little or no amendment. What is required of all persons concerned with financial administration is a sound knowledge of these laws and rules, and the ability and willingness to observe and carry out the prescribed procedures punctually.

Asides

Rt. Hon. E. W. BARROW: Make it a document of the House, Sir? It belongs to the House. It is the report of the Duffus Commission of Inquiry, 1977/78 Volume I, page 150. It is already a document of the House.

I am going to level some criticism now on both sides. I regret, Mr. Deputy Speaker, that we could no longer say that that is the case, because you have removed large segments of contributions made on the earnings of every working class man in Barbados from the scrutiny of Parliament and from the scrutiny of the Committee of Public Accounts, and you get this kind of situation which is not heard of, that a Ministry went to a bank and borrowed — my figures may be wrong, Sir, because I cannot bring all the books in here — but over \$2 million, let us say.

Mr. Deputy Speaker, with your being a Minister, that could never happen when you were there. They have borrowed over \$2 million. When it came up I saw the Minister of Finance turn his head and look across and say — "Is that true and I did not know?" Then his next question was "Did I know about it?" He was told "yes."

I am going to tell you something further. It went to Cabinet but did not come to the House. And on the same day we discovered that, the Minister himself said that the same Ministry had run out of money for building the bridge in Bridge Road and, to his surprise, when he passed there, had thought that he would have to come in here with a Resolution for more money. They had gone to the Transport Board Levy and taken out over \$1 million to continue the road. Now he is the Minister of Finance and he said, "to his surprise!" What control do we have over public expenditure in this country?

Before you paid Income Tax in this country, even before I came into this House, you had to work for about \$1200 a year. Now if you work for \$10 a week, which is \$500 a year, you have to pay 8% levy on that, which is a direct tax on income. It is Income Tax, whether the IMF people call it a levy or slush-run, or anything else. If you want the money, come and put Income Tax on us. But do not tell us that you are relieving us of Income Tax and set up levies, and then Parliament has no control over the way in which this money is disbursed.

We are getting to a very dangerous state of affairs in this country where all kinds of corruptions and mis-carriages of administration can take place. We better be very careful, because never in my fifteen years have I heard of a Ministry going and borrowing money from a bank and, furthermore, having a loan agreement whereby a special fund is guaranteed. Is that coming into the National Debt of Barbados? It is money borrowed. Is that being showed in the statistics of the Governor of the Central Bank? Does the Governor of the Central Bank know about these borrowings? All of this money \$17, \$18, \$20 million are being swiped away from the wage earner. I am not saying taxpayers, because, according to the Minister of Finance, we are all income taxpayers now. He does not leave out any of us.

He said in the course of his remarks:

"Mr. Deputy Speaker, this is the eighth Budget I have had the honour to present to the House."

He is counting on his fingers. He does not need an abacus. He can do mental arithmetic. Do you know when I went outside after the Prime Minister had delivered himself what a gentleman on the opposite side of the courtyard told me as I was getting into my car? He called the name, but we are not allowed to call names. I will say that he said that the Prime Minister said this is his eighth budget. He said: "Mr. Barrow, eight is enough! My God, eight is enough!" I think he was referring to a certain television programme. He means that he cannot take anymore.

I wish to come to certain things in which we think a little more care could have been exercised. I think I have spent enough time on the scrutiny and control of public expenditure. I wish to say here categorically that the incongruous structure which is going up to the east of these precincts for the Central Bank is an imposition on the taxpayers of Barbados. I do not care what the Governor of the Central Bank or anybody else says. They alleged that it is going to cost \$60 million. We know from the engineering experts that it is the "most costliest" building. That is a double superlative. I am conscious of that. It is the costliest building ever built in Barbados today, even perhaps more costly than Ilaro

Court. That is a fact that we have to face, no matter what deception has taken place in the sense that we have been told that it is not costing the taxpayers anything. It is money which the Central Bank has to pay back into the Treasury, and if those profits from the Central Bank are not paid into the Treasury, then we have to make up the leeway in the way of taxes.

The honourable Member for St. Michael South Central did not have time to expand on our policy about controlling the Central Bank, but I hope that nobody in this House ever got the impression that we intend to let the Central Bank or the Central Bank's Governor do exactly as he likes with the public funds of Barbados. He has gone too far already.

The Central Bank is doing a good job — it is true — in their analysis and statistics. If I may go back to Duffus, it depends a lot on the integrity of the people who are intimately involved in these matters, and the two persons most involved would be the Minister of Finance and the Central Bank Governor. I wrote to the newspapers some time last year and I said that either the Governor of the Central Bank is giving the Minister of Finance good advice, and he is not taking it, in which case he should resign — not meaning the Minister, I mean the Governor of the Central Bank — or alternatively he was giving the Minister of Finance bad advice, in which case he should resign quicker, because what was going on there made no sense to me. I also went on to say, and the Honourable Attorney General and the Minister of Health would appreciate what I am saying now, that I thought that people were grossly unfair to the Minister of Finance, because it was clear to me from all that had been going on in Barbados that he did not know the nature and quality of what he was doing; and even if he did know, he did not know that it was wrong. So I thought particularly that the critics, such as the Member for St. Michael South Central, were a bit harsh on the Minister.

8.35 p.m.

The Central Bank could have acquired the building, in which they are leasing quarters for the Barbados National Bank, in which the American Consulate is situated, which is a whole block of Broad Street in Bridgetown, with present parking allotment for 51 motor cars, for \$3.8 million, which is more than adequate for both the National Bank and the Central Bank, about eight times as much accommodation as they have now. What Government would allow themselves to be persuaded that they need an incongruity like the structure which is going up over there by the St. Michael's Cathedral — that is not an incongruity, it is only the incumbent that is incongruent — and spend \$60 million, when you could have acquired a whole block of Broad Street — check it out — for \$3.8 million? You would not be paying any rent for the National Bank and you would

have more than adequate space so that you could still go on leasing to the Royal Bank Trust Company and to the American Consulate and still have room for the National Bank. That is what we call bad management.

Just to conclude and to return to where I started off, Government is about people, it is a people concern, and it is because it is a people concern that we do not think that you should try to run a Government by only telling half of what it is really necessary for people to know and appreciate what is happening to them. You should tell the truth, the whole truth and nothing but the truth, no matter who you believe in or what you believe in. Nowadays even in the law courts you do not have to put the Bible to your lips, just affirm that you are prepared to speak the truth, the whole truth and nothing but the truth. It is only in that way that we can go forward.

We will have to impose some kind of restrictions and controls. Motor cars bring in money. Why do we import second hand motor cars? We have too many motor cars on the road already. All of us in here have cars, and other people want cars too, but they cannot afford the high prices, and the technology and so remains abroad. We will have to go in for more intermediate technology, more craftsmanship, and develop our skills in that way.

In that respect, Mr. Deputy Speaker, the proposals which have been placed before us between the Feast of the Unleavened Bread and Good Friday fall short of our expectations.

Mr. DEPUTY SPEAKER: Is there any other Member who wishes to contribute before the Honourable Minister of Finance winds up?

Before the Minister of Finance winds up the debate, I have to give notice that I have received from the honourable Member for St. Thomas, the Minister of Finance, notice that he intends to refer in the debate to the following persons in their public or official capacity:

1. The Hon. Jimmy Carter, Plains, Georgia, USA.
2. The Hon. Walter Mondale, Washington, D.C., USA.
3. Congressman Mervyn Dymally, House of Representatives, Washington D.C., USA.
4. Dr. Geoffrey Bourne " " "
5. Dr. Peter Bourne " " "
6. Mr. Robert Pastor " " "
7. Lyndon La Rouche, N. 58th St., New York, USA.
8. Maj. General Austin, Richmond Hill Prison, Grenada.
9. Sir Richard Bayliss, C/o Royal College of Physicians, London.
10. Dr. Adity Bhattacharga, Sunset Crest, St. James.

10. Dr. Adity Bhattacharga, Sunset Crest, St. James.

The documents relied on would be a document entitled, "Worse than Jimmy Carter? Facts about Mon-dale, Grenada and the KGB," and secondly, a letter which was written to a Sister at the St. Joseph Hospital in the parish of St. Peter, which the honourable Member intends to produce and make a document of the House.

Standing Order 28(10) says;

- (a) No reference may be made in debate to the character or conduct of any person except in his official or public capacity.
- (b) Any Member who desires to refer in debate to the character or conduct of any person in his official capacity must deliver to the Speaker written prior notice of the proposed reference; the notice must set out the facts on which such reference will be based and must be signed by the Member giving it.

The honourable Member has therefore complied with Standing Order 28(10) and he is therefore entitled to make reference to those persons.

The honourable Member for St. Thomas, the Minister of Finance and Planning, may now proceed.

Rt. Hon. J. M. G. M. ADAMS: Thank you, Mr. Deputy Speaker. We have had an interesting and relatively calm debate. It is a debate that proceeded without interruption, and I think that the House and the general public can be proud of most of the speeches that were made.

Last night we had the principal speeches, the speeches of the Deputy Prime Minister, of the Minister of Housing, and if I may say so, the very exceptional speech of the honourable Member for St. Michael Central (Mr. A. Truss); also, the speech of the Deputy Leader of the Opposition. Most of the rest of the Members of the House have spoken today.

I thank all those honourable Members who have contributed useful suggestions, and I assure them that I have taken note of the proceedings. I find some distinction in the speeches which have come from the Opposition side of the House. All ten members of the Opposition have spoken on this occasion, and I detected a difference between the speeches of the Opposition spokesman on Finance, the honourable Member for St. Philip South (Mr. H. A. Blackman) and the honourable Member for St. James South (Mr. N. K. Simmons) on the one hand, and the speeches of all the other Members, led by the Leader of the Opposition, on the other.

Since this is Holy Week, not only in reality but also in the rhetoric of the Leader of the Opposition and others, perhaps I can say that I will take as my text his closing words, "the truth, the whole truth and nothing but the truth." I think that very seldom has a debate been so outstandingly characterised by a minority who ignored that precept and a majority who paid attention to it. The minority I refer to is of course those three honourable Members.

Apart from the speech of the honourable Member for St. Michael South Central, which in my opinion contained untruths known to be untruths and delivered as untruths intending to be believed, I think there was a trend in those three speeches which is very deplorable in public debate in this House. That trend is that if you find a fact inconvenient, you attack the fact. If you do not believe in the figures on inflation, you attack the figures. If you do not believe in the figures on unemployment, you attack the figures.

8.45 p.m.

I will point out to honourable Members of the House that attacks on the figures produced by the organs of Government in this country, produced by people who are responsible to the Prime Minister and Minister of Finance for the truth of statistics, and who are also responsible to the Leader of the Opposition as Chairman of the Public Accounts Committee for the truth of statistics, were accepted by every Member of the House except those three honourable Members. I comment on that in the light particularly of the speech by the Minister of Agriculture, the honourable Member for Christ Church East, who pointed out that the Press in this country is doing a great disservice by taking seriously those unsupported allegations, and then having the nerve to call on the Government to contradict and prove the opposite of an allegation made completely without evidence.

Of course, the speech of the honourable Member for St. Michael South Central contained many other departures in the canons of good taste and common sense. I do not think that I would need to deal too much with his constant harping on starvation. I agree with the honourable Member who said that it drags down Barbados, not the Barbados Labour Party. I will do no more than to answer him in terms which came not from a politician, but from a very outstanding young member of the Press, an employee of Barbados Rediffusion Service, a Mr. Ellis, who, when the honourable Member said the same things about how terrible life was in Barbados, said very quietly to him, "I do not recognize the Barbados you are talking about" and clean-bowled him more effectively than perhaps any politician has ever been demolished by a member of the Press in this country. We do not recognize the Barbados you are talking about. The extremism of rhetoric suits old Grenada. It suits pre-

The extremism of rhetoric suits old Grenada. It suits prewar Germany. It does not suit Barbados.

His bizarre suggestion that when returned to power, the Democratic Labour Party will pass a law to jail the Minister of Finance if he prints any money, would better have come from the Leader of the Opposition. When the Leader of the Opposition says those things, he says them in the jovial and jocular mood, betraying the generous personality which he has buried for so long, but which is emerging as he enters his later years, has his achievements behind him and is no longer, perhaps, struggling with the same absurdity as twenty years ago. If he had said it, we would laugh. When the honourable Member for St. Michael South Central says it, we can only pity him.

I would really ask him if he understood what he was saying. He should not have left it at the Minister of Finance. He should have offered one year in jail for every Minister who allowed inflation to go over 20 per cent. That would deal with the honourable Member for St. Michael West (Mr. B. M. Taitt). He would still be in Glendairy. He should have said five years in jail for every Minister that allowed unemployment to go over 60 per cent. That would deal with the honourable Member for St. Michael North (Mr. P. M. Greaves). He would still be in jail. It would be twenty years for him. He should have said five years in jail for every Minister that signs an agreement to put 10 per cent or more on the water rates. That would take care of the honourable Member for St. Michael South (Mr. L. E. Sandiford). He should not have confined it to printing money, which was started by the honourable Member for St. John. He should have said joining the IMF. He should have said ten years in jail for joining the IMF and another ten for printing money, and he would have got all of his ex-ministerial colleagues out of the way and been able to achieve the ambition after which he lusts so enthusiastically. There is something physical about that man's ambition to sit at the head of that bench. It makes one sick.

In the debate, very little was said about the Proposals themselves. I think we had to wait until the later speeches to get a full analysis of the Opposition side of the Proposals. I will deal with those Proposals which were not analysed in any depth.

Highway revenue. I do not think we heard a great deal about that. I know that the Minibus Association has said that they expected to be harder hit.

Betting and Gaming. I know again, that the Barbados Bridge League have said that they were expecting it for some time.

Stamp Duty. Comments have been made, but I think that there is general recognition of the fact that

no matter what is talked about relief, in the end redistribution was necessary, and revenue still had to be maintained. I think that this was exemplified by the speech of the last honourable Member, the Leader of the Opposition.

He spoke about his proposal, which has been publicised, that no one earning less than \$12 000 a year should pay Income Tax.

Asides.

Rt. Hon. J. M. G. M. ADAMS: Taxable Income? Well, if it is taxable income, the amount perhaps, might be more than \$21 million. It is difficult for the computer to analyse that, but perhaps I will have an opportunity of having that analysed. I will let the honourable Members on that side who are interested in those things have a copy.

But, in analysing it, he indicated that he understood that you cannot just give things away. You have to balance. You have to look at the size of the Current Account surplus, taking into consideration the Public Service wage settlement, and the other calls upon Government revenue.

I do not think that there is really any contention between the honourable Member and myself on this issue. Both of us have the same goal, to reduce the burden of direct taxation. The honourable Member naturally has to pitch his figure beyond that which is reasonable. It would look very bad for him to choose a figure and then have me give more. Therefore, the honourable Member has chosen a figure which, perhaps, he knows we cannot afford this year.

We have raised it to \$145. In a year where \$38 million has to be found for the civil servants, we can do no better. I think that honourable Members can very reasonably expect that the process, begun eight years ago, of improving the position of lower income earners in respect of direct taxation, will be continued.

The honourable Member spoke of levies on the Consolidated Fund. I think that he was also on very good ground when he spoke on that. I think that there are dangers in setting up too many separate funds, especially those which have a revenue of their own, but there is no difficulty, as I am informed, of the honourable Member extending his enquiry to those funds.

When I was Chairman of the Public Accounts Committee, we examined the funds of the Housing Authority; not the Ministry of Housing, but the Housing Authority. If the honourable Member has a difficulty — and there may be a difficulty about the Transport Levy, because the Transport Levy is not, it appears to me,

directly controllable by an accounting officer — we can, as far as I am concerned, amend the Audit Rules to provide for an analysis by the Auditor General and by the Public Accounts Committee.

I am satisfied that the funds of the Transport Levy are being used for the stated parliamentary purpose. A representative of the Ministry of Finance sits on the Board. A representative of the Workers' Union sits on the Board. I think that the responsibility of the Chairman and other members is very considerable and I am satisfied that those funds have been used only for buying buses and road projects. They are, at the moment, being used to complete the building of Bridge Road, but I have no objection to the rest.

Indeed, as I listened to the honourable Member's concerns about the levies and expenditure, I was reminded of an election that took place 100 years ago, the presidential election in the United States of 1884. President Cleveland, he was then Governor Cleveland, was running against Governor Blaine. Cleveland's political opponents discovered that his private life was not without blemish and they dressed up at every one of his public meetings a whole host of little boys and got them to sing a song:
8.55 p.m.

"Ma, Ma, where is Pa, Gone to the White House, ha, ha, ha."

This is because it was discovered that he had an illegitimate child whom he intended to take to the White House with him, or did not intend to take. The Republican Press came out with a great deal of analysis about the absolute probity of the private life of Governor Blaine and President Cleveland's campaign manager recalled that Governor Blaine had been involved in railway bonds and told the Press that since his private life was of such an exemplary character, he hoped the voters would return him to it; President Cleveland, whose public life had been characterised by efficiency and integrity, was the man to keep in public life.

I apply that parable as follows: The Leader of the Opposition has explained his solicitude for the revenue. He has explained his mastery of Public Accounts Committee procedures. He has indicated that he is one of the leading experts in the Commonwealth in the operation of Public Accounts Committees, that he has been called to London to give advice on these matters. Mr. Deputy Speaker, I wish him a long and continued tenure of the office of Chairman of the Public Accounts Committee. I am sure there will be full co-operation between him and the Auditor General and the organs of Government which he examines.

To reply to individual Members, Mr. Deputy Speaker, because although I have an hour, an hour is not a long

time and I will have to compress things, I would like to deal with the speech of the honourable Member for St. Philip North (Mr. W. O. Franklin). He raised a number of points which must give us thought. He said that the cost of a \$100 000 house will increase by \$3 000 because of charges on materials. First of all, he referred to the cost of marl and its use in making trowel plastic. I will point out that no tax has been placed on marl, and it is inconceivable to me that a registration charge of \$5 000 on a quarry should affect the cost of marl. There is no tax on marl.

He referred to sand. The tax on sand and the tax on clay together I estimate will bring in \$150 000. Again, I cannot believe that in order to pay \$150 000 a year, or even \$300 000, the cost of building will rise by 3 per cent. Approximately 1 000 stone houses or houses involving sand for concrete are built each year in Barbados. The honourable Member suggests a price of \$100 000, but I will take it to be a bit less than that. The average price may perhaps only be \$60 000 to \$70 000. Assuming that there is other evidence that \$60 million to \$70 million is being spent, to use the honourable Member's figures, around \$2 million will be charged by the building industry to cover a tax of around \$200 000.

If what the honourable Member says about the concrete block maker to whom he has spoken is general, concrete block makers will only be bringing price control for concrete blocks nearer to reality in this country. I issue that as a warning.

He makes a good point about the necessity of controlling the takers of deposits. The fact that steps have already been taken does not in any way derogate from the honourable Member's point. What in fact is clearly needed is better publicity for some of the actions taken by the Central Bank, because I do not ever recall that action being given any publicity in the Press. But the point is sound, although it has already been dealt with.

The honourable Member for St. Michael North West (Mr. L. A. Weekes) spoke on drugs and the cost of drugs. The Director of the Drug Service has asked me to mention one or two points. First of all in relation to the cost of drugs, we would point out that one of the first things that was done when the Drug Service was introduced was that the 15 per cent duty on these drugs was removed and the cost of all drugs came down. I would further point out that those 65 years and over receive free drugs and can receive free drugs, along with children under six and those who receive drugs for hypertension, diabetes and cancer. The cost to Government of providing drugs has increased, because as a result of these measures, many more people are able to have drugs for their ailments.

An important distinction has to be made between formulary and non-formulary drugs. The Drug Service

does not control the cost of non-formulary drugs. What perhaps is necessary is for physicians to consider whether their continuing to prescribe non-formulary drugs in such quantity is the best thing for the interest of their patient's pockets. A formula has been created in order to reduce the cost of the most used drugs. If you go outside the formula, naturally people will have to pay more.

I am also assured by the Director of the Barbados Drug Service that tests of drug content, test for disintegration times are carried out by reputable laboratories in Britain, and there is a constant attention paid to quality control on drugs in Barbados.

Asides.

Rt. Hon. J. M. G. M. ADAMS: If honourable Members are worrying about whether there is a charge on marl or not, there is no charge on marl. Saying "under the same conditions", that applies to conditions as to registering and paying the registration fee. If I was ambiguous I am glad the honourable Member has given me an opportunity to make myself clear.

I am turning now from the north to the south. We are leaving the north and going to the torrid south; we are leaving cold reason and incisive analysis and going to what one of my colleagues described in a previous year as "the bizarre". This year it was from the banal to the bizarre. The first year we heard from the honourable Member for St. Philip South (Mr. H. A. Blackman), he said that \$40 million was no big thing. The second year he told us that the Democratic Labour Party had joined the country in the IMF because they knew the effect of their policies and they wanted us to be able to go to the fund and borrow money. Now in his third Budget speech, he quarrels with the Government because it brings more land into production to grow more food for the country.

We have moved some economic mountains in this country, Mr. Deputy Speaker, but I am going to confess to something. With all the quality on this side of the House, there is something we have not learnt how to do. We have not learnt how to control the weather and rainfall. We cannot control rain, we cannot make rain fall on exactly the day that we want it to help a crop to grow. We therefore shall have to start by using more land if we want to grow more food. Fortunately, the Democratic Labour Party left us a lot of idle land to bring back into production. I really do not think that the honourable Member can be serious in his vehemence. He quarrelled, he hit the paper, he said it is not in this year's Budget; he quarrelled with us for planting more food on more land.

The remainder of the honourable Member's speech dealt with a new category of deferred taxation. Since he

referred to water rates, I will just remind him that when the occasion arises, I have been known to cancel what he called deferred taxes. The water rate increase which I announced sometime ago was cancelled in this Budget.

I cannot handle the suggestion that taxation causes gambling. I would be glad if he could direct me to the sociological studies or the other authorities which have led him to the conclusion that taxation causes gambling. I suppose it also causes people to go to the Coney Island, and one night at the Coney Island the Commissioner of Inland Revenue collected \$14 000 entertainment tax on entrance fees, and I am told the entrance fee was \$4.00. I asked him to check it over and over again, and he said that his man had brought in \$14 000 cash from down at the Coney Island that he collected. That is only on the entrance fees because, of course, it cost money to go on the rest. I will certainly read his authorities with interest if he can prove to me that taxation causes gambling.

The honourable Member for St. Michael West, his speech was compressed into a more manageable length this afternoon, and I must say that I think he made the best use of the short notice that he got that he would not be winding up on behalf of the Opposition. He had to reduce his carefully prepared notes from one hour to half an hour, and perhaps it was a better speech because of that. I can find little to quarrel with in the speech. He made the points as a good Opposition member should. 9.05 p.m.

But on industrial development, I would agree with him only in a limited way, that it has existed only from 1963 to 1984. Before 1963, there was industry in this country. There was a lot of small industry and there were a lot of sugar factories. The number of people working in Barbados was quite large. In 1960 itself, there were 13 000 people employed in industry, a figure that it took many years to reach again.

What perhaps he is right in saying about 1963, or right in implying, is that there was a structural change, and the pace of structural change, which was referred to in the speech by the Deputy Prime Minister, has moved very, very much faster in the last five years. We are no longer a cheap labour pool.

The section on Barbados in a recent issue of *Business Week* quotes the Manager of Barbados' biggest factory as saying that from a wage standpoint, his plant cannot compete with the factories in Malaysia, the Philippines or Israel. I was a little surprised to think that wages here could be higher than in Israel. But he said that by next year the output of that plant will lead outputs of all the company's plants around the world. That is the structural change which we are making.

We are using, a not particularly cheap but a trainable work force and pointing it into the new industries that are the industries of the 1980s. There are one thousand-odd people making integrated circuits. There are 510 people who started out making components at CORCOM but who now say that they can make whole computers in Barbados. They say send them any order and they can fill it from the Barbados factories.

There are people making computer assemblies and sub assemblies, tantalum capacitors, as well as the data processing firms referred to by the Deputy Prime Minister. They are the jobs of the future.

I come, Mr. Deputy Speaker, to a point to which I referred at the start of my speech, these contradictions about figures. I must deal first of all with unemployment. Two honourable Members said quite straight that the Government's figures on unemployment are false and that unemployment is much higher than the Government is saying.

It is very easy to say that figures are wrong when you have a Press that does not pick you up, and indeed that glorifies irresponsible statements such as the editorial in today's *Nation*. It would not be possible for the honourable Member for St. Michael South Central to say the extraordinary and extreme things that he says, if he were practising politics in North America or in Britain. He would be driven out of politics for irresponsibility and untruthfulness. The honourable Member for St. James South also took that same line.

The truth is that unemployment is calculated on the same basis and using the same methods as were introduced in 1975 by the Right Honourable Member for St. John. A United Nations team, a UNDP Training Team, was brought to the island by the honourable Member for St. Michael North, who was the Minister of Labour. The two Ministries collaborated and the team gave instructions at modernizing the system of calculating unemployment.

The Right Honourable Member for St. John will well recall quoting to us earlier volumes of unemployment statistics which had Barbados' rate as being 1.8%, and he invited all honourable Members of the House to agree that rate was ridiculous, because it was clear that the methodology that was then being used was inaccurate. That methodology was corrected. The concept of the voluntarily idle, a perfectly valid concept, was introduced by the former Government – not by this one.

The participation rate of adults in the labour force is already two thirds of the adult population, which is a rate comparable to developed countries, and the concept of the voluntarily idle is perfectly well-known in all labour systems. We, in fact, have an unemployment profile comparable to the United States. The United States

has a thousand times as many people as Barbados. It has a thousand times as many people in the work force, and roughly speaking, the same percentage of women seeking to participate. From the point of view of labour statistics, we are a developed, not a developing country.

The World Bank has done an analysis of our unemployment figures, and the World Bank suggests that they are wrong. The World Bank suggests that we overestimate unemployment. They said there are different ways of calculating unemployment which would make all our figures four per cent on one analysis too high or six per cent on another analysis too low. They say that in Barbados, you say a man, or more particularly a woman, is unemployed if he or she says that they looked for a job in the last six months. In North America, you are regarded as being unemployed if you looked for a job in the previous week, otherwise you are regarded as voluntarily idle.

The World Bank has not praised us. But it has said that we should take a look at our parameters of collecting unemployment statistics. Unemployment, according to those statistics was 22.8% at the end of 1975. Is the honourable Member for St. Michael South Central saying that it was higher? It is in the identical series of statistics. They are published in the Central Bank Report. Is the honourable Member saying that the Central Bank is lying?

The Manufacturers' Association, dominated by its DLP structure, announced that it was going to carry out its own survey of the Export Promotion Corporation. Despite the fanfare months ago, this survey, which was intended to contradict the Deputy Prime Minister, has never been published.

The impression that the honourable Member for St. Michael South Central sought to convey that he has the names of 10 000 unemployed is ridiculous. I need hardly argue about it. He cannot even get the names of the people that live in his own constituency in Belleville and Carrington's Village to challenge the figures of the Voting List. Because if he says the figures are wrong, all he has to do is to identify the people who do not live in Belleville and raise an objection to them before the Chief Electoral Officer. It is not anything which is unusual to him, because during the bye-election in 1978, he challenged the names of certain people on the Electoral List. There was an old lady that lived in Martindales Road. Her grandson went on our political platform to say how the Chief Electoral Officer had come around to her house to try to take away her vote. So he knows how to challenge names.

If he can produce 10 000, why does he not go and look in Belleville and see who is not living there? Ten thousand names, what!

His colleagues laughed at him when he spoke of morality. When he decided to put himself in the moral team with the honourable Member for Christ Church West, I saw even the Right Honourable Member for St. John laughing at him. The ranks of Tuscany could scarce forbear to cheer the ranks of the Dems, could scarce forbear to laugh. I have never seen an honourable Member treated so cruelly.

He must not think that the laughter started out with him. They were too ashamed to laugh at the 10 000. This is like the anabasis. Xenophon started out with 10 000 from the Persian wars. How many ever got back to Greece? About the same number as would get back, if I ask the honourable Member to produce the list of the 10 000. He could not produce as many names on that list now as Xenophon could carry back to Athens and Corinth, to Thebes and Sparta.

9.15 p.m.

I will give the actual figures for unemployment over the years. At the end of 1975, 82 100 people were working. The average number of people working in 1976, 87 725; in 1977, 87 175; in 1978.....

Asides

Rt. Hon. J. M. G. M. ADAMS: I beg your pardon. I did not realize that the honourable Member had read them out. I have the figures for the first quarter of 1984, and I will produce them as a document of the House. They show that 95 400 people have been working for the first quarter of 1984. The number of persons working have therefore increased. The rate of unemployment has declined a fraction. The increase is partly seasonal. The figure is still less than a year ago when it was over 96 000. Nonetheless, we can hope that we are on our way up.

Of course, it goes without saying that the figures read by the honourable Member for Christ Church East do not for a moment support the loss of any 10 000 jobs. The loss from the very highest point, which was in the early part of 1981, to the very lowest point, which I think was Christmas last year, was maybe around 7 000 or 8 000. They do not support any loss of 10 000 jobs.

The impression of the honourable Member was made in saying that the rate of inflation is higher than the 5% claimed. The honourable Member for St. Michael South contributed a little bit to this. The truth of this matter is that the honourable Member for St. Michael South Central is a very skilled psychologist. He knows that there is a general inflationary impression not just in Barbados, but in the world. People have got so accustomed to the steady spiral of prices that it is very difficult to persuade anyone of the contrary. The honourable Member therefore knows that he is on a very good

wicket with this particular impression. He can ignore and he can play unfair to his heart's content, but the facts are otherwise. The same figures, the same method of calculation, and the same people who show that we had 13% inflation in 1979, 40% in 1974, 5% in 1976, and 10% in 1982 showed that we had 5% in 1983 and nil so far in 1984. So much is the price of fish, vegetables, and indeed of shoes, butter, milk — and the price of condensed milk is soon to be reduced — of corned beef from their peaks, that the rate, which is a weighted average, is brought down, although some prices are rising, like the cost of medical care, which is still the leader of inflation in this country.

The honourable Member for St. Philip South said that it just is not true that prices are falling. I have brought two files with me. One was closed at the end of last year; the other relates to this year. If he would like to spend a moment or two, I do not mind him looking in these particular Government files. He will see three years' prices. I keep these in my office and read them faithfully every month. Perhaps he will be convinced that those honest and dedicated price inspectors present the true picture.

Asides.

Rt. Hon. J. M. G. M. ADAMS: The honourable Member for St. Michael West used to read files every Monday. I read them once a month. I will say that prices come and go, and those good and faithful servants, the price control inspectors, who go secretly into supermarkets and copy down the prices and come back and set them into the machine, are not there to be anybody's servants. I will tell you this. Each Director of Statistical Services that I have had to deal with, the permanent and temporary, has on occasion made the point to members of the Government right up to the top that they have an independent role and an independent statutory duty under the Statistics Act, relating to secrecy, that certain things cannot be published and so on and so forth.

If we have to be criticized when the Statistical Service shows double digit inflation, and we have to be abused when it shows 5%, we really cannot win.

The next impression I want to turn to which came from the "Minister of Impression", the "Houdini of St. Michael South Central", is the Foreign Debt of Barbados. The impression that he stated was that the Foreign Debt of Barbados is \$1.2 billion when all the Government guaranteed debt is taken into account. He said that the Ministry of Finance was seeking to mislead the House.

The truth is this. Exceptional care was taken in preparing the figures used by the Government. The honourable Member, I believe, has simply invented his. There is absolutely no basis, except the doctrine of the false impression, that can support his figures. I have a Central Bank document which shows the truth to be that the Government guaranteed debt and Central Bank's debt, including its building loan and the outstanding IMF debt at December 1983, and including private debt such as utilities, business firms, and bank debts, which are not guaranteed by Government, amounts to \$687.1 million a little more than half of the honourable Member's irresponsibly and untruthfully produced. Interest payments on these debts amount to \$48.9 million and repayments of capital \$74.3 million annually. I produce this document as a document of the House.

For those who wish to know the truth, in whose ranks I cannot include the honourable Member, the data on the external national debt is taken from the Central Bank's monthly publication. The Government's guaranteed debt includes its 51% share of the cement plant, the debts of statutory corporations, debts related to the Transport Board buses, and the debt incurred to expand the electricity system. The private sector debt is computed from the Central Bank's records and exchange control. The Central Bank's own liabilities are taken from its books. I have given every source for every figure in that table. The honourable Member will never be able to do the same, because he does not have any source.

I would like to correct another impression. The honourable Member said that debt service cost the Government \$106 million last year. The truth is that it cost only \$93 million.....

The next thing is the National Health Scheme. The impression that the honourable Member sought to convey was that the doctors are being offered only \$25 112 000 as their emoluments under the National Health Scheme. He even produced a document.

The truth is that the document which the honourable Member produced relates only to 450 patients per doctor. Its estimates for expenses and support staff reflect only 22.5% of the total doctor expenses. I was careful to state that my figures related to the final phase, when the full 3 000 patients are impaneled. I now produce both documents relating to that matter, and I produce them completely. They are staff-confidential, but they are in the hands of BAMP, and I think you can take it to mean that they are now in the public domain. This relates to 65 years and over. The one for the 3 000 is a smaller document, because all the main calculations have already been done for the 65 years and over.

The calculations for the main phase, with which the doctors are well aware, are: capitation fee \$25 per person

by 450 is \$11 250; capitation fee \$20 per person by 2 550 is \$51 000; after hours service, \$18 960; road practice allowance, \$2 800; continuing education allowance, \$1 250; private fee, \$4 500; and seniority allowance, \$14 560. For a Grade I doctor \$104 330 a year. Expenses, rental of premises \$12 000. Even Dr. Caddle will get that for the premises which he himself owns. Operating expenses, \$34 000; support staff, \$35 500; \$81 500. Total amount to be paid to the doctor, \$185 830.
9.25 p.m.

BAMP has not had a chance to discuss that second document, because they declined to return to the negotiations. They have now, I understand, given some indication that they want to return, but they have already discussed most of the points therein and cannot deny the figures. Their arguments relate to increasing them, especially in respect of the after hours allowance.

For my part, I think that if the after hours allowance is a sticking point, rather than pay doctors \$1 500 a month for a service which is not now being provided at anything like the level envisaged in the Ministry's proposal, it is better to abandon it, keep the \$1 500 a month, work out a cheaper after hours service on a more centralised basis, and reduce the salaries accordingly. I know there are members of the Cabinet who feel even more strongly than I do on this particular point.

I come finally to this point on the St. George's Medical School. The first impression was that the students at the St. George's Medical School are writing prescriptions.

(Dr. R. C. HAYNES: That is not true).

Rt. Hon. J. M. G. M. ADAMS: Did the honourable Member not say they are even writing prescriptions down there now? Who did he think the general public meant? Was he not trying to convey to the general public that the students are writing prescriptions? I know that is how the general public understood it. If the honourable Member wants to deny it now, he is disowning it, because he is about to be exposed.

The truth is that on March 29, 1984, a student at the St. George's Medical School had a toothache. One of his teachers, a qualified doctor by name of Dr. Adity Bhattacharga, sent a note to a member of the staff of the St. Joseph's Hospital where the school is located. The note reads as follows:

"Dear Sister,

Kindly give this patient some caps. ampicillin, 500 mg oid. by five days, and tabs. of aspirin, itbs.

(or something) by five days for some tooth infection.

Thanking you,

Dr. Adity Bhattacharga."

I produce a photocopy of the note as a document of the House.

This came to the notice of the Ministry of Health. It is being investigated. BAMP knew about it. The doctor used to be an out-patients registrar at the Grenada General Hospital, and she is as qualified as many doctors in Barbados to practise here. She has passed the foreign doctors' examination in the United States, and she has a work permit to be in Barbados.

The Ministry of Health has drawn to the attention of the school that even their professors will have to register as practitioners in Barbados if they wish to act as doctors and not merely as teachers, and legal advice is being sought. What more can be said? The question I now ask is, does that incident, a student with a toothache, a doctor prescribing some aspirin for the pain and an anti-biotic for an infection, really justifies saying in the House of Assembly in a Budget debate that they are issuing prescriptions down there now?

I will ask the honourable Member this. What will happen to a doctor if a friend of his said to him, "My son does not want to play games at school, would you kindly give me a certificate saying that he has a heart condition," the doctor writes a certificate saying so and so has a heart condition and cannot play games, and it was shown that he never examined the boy and he did it as a political favour to somebody to help him get into the House of Assembly?

The impression was given that the medical school is a security risk run by the Mafia. In my view, this is the most dangerous and downright part of the honourable Member's contribution to the Budget. I hold no brief for any individual; nevertheless, it is only fair to say that the Government has no knowledge of any Mafia connections with Mr. Modica, whose name was mentioned, or any one else. Quite the contrary. Both administrations in the United States have given the persons associated with the St. George's Medical School a clean bill of health.

Mr. Modica considers that because he is an Italian, people who wish to abuse him say that he is connected with the Mafia. He considers that it is very similar to the accusations that are made against black people. You are black, therefore so and so; you are Italian, therefore you are with the Mafia.

Honourable Members can wax indignant in here before the television cameras in defence of this, but we in here know the honourable Member for St. Michael South Central better than the television audience knows him. We

know that everything he wants to criticise that has an external element in it is the Mafia. The one armed bandits are the Mafia. Anybody who comes into this island who he does not like is the Mafia. It has reached the stage now where if the rain falls on Easter Monday, it is the Mafia. Everything is the Mafia. I would reckon that 120% of all references to the Mafia made in this Honourable House in the life time of any of us have been made by the honourable Member. Not a week passes that he does not talk about the Mafia. We do not take him seriously, so when he drops a blow like that we let it pass, but there are people out there who are disturbed.

The honourable Member quoted from a minute written by me about the establishment of the medical school referring to political considerations. If he had had full access to the whole minute, he would know I was referring to Grenada. The first paragraph of the minute said there were certain political considerations which would at the moment make this an undesirable proposition in such a bald form, but these should not concern the Ministry of Health. I have already dealt with them on another file, in which I have indicated that I would have no objection to Barbados being used either as a refugee teaching centre while the situation in Grenada is restored to normal, nor would I object to an expansion of the medical school into Barbados.

On the other file, which is a Confidential file, and therefore which could not go into ordinary circulation in the Ministry of Health, I referred to the fact that the Government of Barbados did not wish to be seen taking the medical school away from Grenada at a time when Grenada would need all the economic development that it could get, and they are the political considerations as the other file makes perfectly clear.

(Dr. R. C. HAYNES: Read the next paragraph.)

Rt. Hon. J. M. G. M. ADAMS: The next paragraph says that the Ministry of Health should do everything it can to work out with the St. George's School the most effective way of establishing another of its campuses in Barbados without interrupting the present pattern of teaching at, or use of the Queen Elizabeth Hospital.

Now, the security problem. The lurid story told by the honourable Member is not new. It appeared in full in the *Nation* newspaper on April 6, 1984 in Gladstone Holder's column. I produce the newspaper as a document of the House.
9.35 p.m.

Great weight was given to it in the *Advocate* today because you have to understand the *Advocate's* position. The editor of the *Advocate* is very strongly committed against the medical school.

Mr. DEPUTY SPEAKER: May I remind the honourable Member that he has eight minutes more.

Rt. Hon. J. M. G. M. ADAMS: It has put BAMP's case fully at all times. It put on its front page today a story of two students from a Peruvian Medical School with forged credentials. All of that is a deliberate propaganda campaign against the Government and the medical school, carried on with very little regard, in my opinion, to journalistic ethics; almost as little regard as the honourable Member has shown to parliamentary ethics.

I must go at length into the genesis of this story about security risks. The United States has a number of very ridiculous newspapers — they make the *T & T Mirror* and the *Bomb* look like a Sunday school gazette — and one of them is called "*The Executive Intelligence Review*". It is run by a man called Lyndon LaRouche. He is an extreme facist, who has described President Reagan in print as "a dangerous leftist radical committed to handing the United States over to the Communist cause". It is an expensive newspaper.

In Volume 10, No. 4 of November 9, 1983, No. 45, November 22, 1983; No. 46 November 29, 1983, there were references to all the people mentioned by the honourable Member, and the entire story about security risks, the Manchurian candidate, Vietnam, the primate centre, Dr. Bourne, ex-President Carter, Vice President Mondale, the whole lot were contained in those three articles. They were then summarized in a special report to be published on or about the 3rd December last year called — "Worse Than Jimmy Carter? The Facts About Mondale, Grenada, and the KGB". This report that I hold up is the source of the honourable Member's misinformation and, as the lawyers say, "I am informed and verily believe that I have the very copy" which the honourable Member photo-copied and which is the source of his information. It has his fingerprints on it.

This newspaper, in addition to calling Reagan a dangerous leftist — I remember that I was so annoyed at this one that I threw it in the wastepaper basket — on December 13, 1983, stated that Lord Carrington, the former Foreign Secretary of Great Britain, was a Director of Dope International, a \$300 billion business, headquartered in Panama, and that he had conspired with KGB to support the Russian invasion of Afghanistan in order to secure his heroin supplies for the group of which he was a member. This is the newspaper from which the honourable Member quotes!

Asides.

Rt. Hon. J. M. G. M. ADAMS: This is the very one. I told you it has his fingerprints on it.

The honourable Member spoke of the Manchurian candidate. Let me read and tell you what he said about the Manchurian candidate. "Is Walter Mondale a writing agent of the Soviet KGB? Is he a Manchurian candidate?"

You see, this National Democratic Committee has nothing to do with the Democratic Party in the United States. The man is a madman being financed by people who are against Mondale. They are trying to drag down Walter Mondale. They said how Mrs. Carter went to Jim Jones to arrange to send him to Guyana, and they all went to the Guyanese Embassy in Washington.

They say here that Robert Pastor conspired with the Bournes to write a constitution for General Hudson Austin. They describe Bourne as Jimmy Carter's "Shrink", meaning psychiatrist, and so on.

They speak of Geoffrey Bourne and his work at the Institute of Primates. Now, Dr. Geoffrey Bourne, apparently, is a pioneer who was nominated for a Nobel Prize, so I am told, for his work on primates at this Institute of Primates, which is, I believe, — I do not know the gentleman — is an outstanding institute in the world. Therefore, he did work on primates.

They state that Geoffrey Bourne was introduced and educated at Oxford, that he served as a Major in the British Army Special Services (Counter-Terror Terror Unit) in Malaysia. It says that Barclay's Bank is the largest property owner in Grenada and that Bourne's operation is not unknown to the British elite: Queen Elizabeth's personal physician, Sir Richard Bayliss, has lectured at St. George's, which I believe to be true, in fact.

This is not worth carrying in the laboratory with you. When they come into my office, I throw them away. I produce this as a document of the House. Hold it carefully. Do not destroy the fingerprints.

I would say only in conclusion on that that the Government has received a telex. I understand it is to be published, and if I have to produce it I will, but it will be a public document. This is a telex from the St. George's Medical School, and I will quote a part of it:—

"IT IS UNFORTUNATE THAT ST. GEORGE'S UNIVERSITY, SCHOOL OF MEDICINE, HAS BEEN DRAGGED INTO AN INTERNAL POLITICAL BATTLE BETWEEN GOVERNMENT AND ITS OPPOSITION AND THAT DR. HAYNES MAKES THESE INSIDIOUS, ERRONEOUS AND FOUNDLESS ACCUSATIONS IN A FORUM WHERE HE CAN TAKE ADVANTAGE OF AND HIDE BEHIND THE CLOAK OF PARLIAMENTARY IMMUNITY. WE CHALLENGE DR. HAYNES TO REPEAT AND REITERATE THE STATEMENTS MADE TO PARLIAMENT ON APRIL 18TH CONCERNING ST. GEORGE'S UNIVERSITY WHERE PARLIAMENTARY IMMUNITY DOES

NOT ALLOW HIM THE LUXURY AND FREEDOM OF MAKING GROUNDLESS ACCUSATIONS. WE INVITE DR. HAYNES TO GIVE US THE OPPORTUNITY TO CHALLENGE THE ACCURACY OF HIS STATEMENTS IN A COURT OF LAW SO THAT WHEN HE IS PROVED WRONG, THE COURT WILL GIVE US COMPLETE AND FULL SATISFACTION.

DR. HAYNES HAS APPARENTLY MASTERED THE ART OF USING WORDS THAT DRIVE FEAR AND INSECURITY INTO THE HEARTS AND MINDS OF PEOPLE. WE, IN THE UNITED STATES, WERE ONCE PLAGUED BY THE SAME TYPE OF SUBVERSIVE RHETORIC IN THE EARLY 1950's AND WE BELIEVED THESE TACTICS HAD DIED WITH SENATOR MCCARTHY."

Mr. DEPUTY SPEAKER: The Honourable Prime Minister will have to make that a document of the House.

Rt. Hon. J. M. G. M. ADAMS Well, surely. I really do not mind. Mr. Deputy Speaker, I have come to the end of my time and I have come to the end of the reply. I think that it has fittingly come to an end with a most distasteful episode being exposed for what it is. There are certain things, Mr. Deputy Speaker, that can tell you where the truth lies. When a clock strikes 10 — all right. When it strikes 11 — fine. When it strikes 12 — good. But when it strikes 13 you know that something is wrong. You doubt the 10, 11 and 12.

When the honourable Member says that inflation is more than 5 per cent — good. When he says that unemployment is more than 15 per cent — good. But when he produces a piece of the filthiest American garbage to justify a serious debate in the House that excites so great fears in the population, we then realize the quality of his contribution in public life.

I personally feel ashamed sometimes to be a Member of the same Assembly as the honourable Member for St.

Michael South*Central. The honourable Member should be ashamed, and I am glad he has agreed.

I beg to move that this Resolution do now pass.

Hon. H. B. ST. JOHN: I beg to second that. 9.45 p.m.

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

Ayes: Rt. Hon. J. M. G. M. ADAMS; Hon. H. B. ST. JOHN; Hon. L. S. CRAIG; Hon. L. R. TULL; Hon. Miss B. MILLER; Hon. V. L. JOHNSON; Hon. DeL. O. BRADSHAW; Hon. H. deB. FORDE; Hon. L. B. BRATHWAITE; Mr. A. TRUSS; Hon. Dr. R. L. CHELTENHAM; Mr. L. L. SISNETT; Mr. J. G. ODLE and Mr. R. E. BRATHWAITE — 14.

Noes: Rt. Hon. E. W. BARROW; Mr. L. E. SANDIFORD; Mr. B. M. TAITT; Mr. H. A. BLACKMAN; Mr. P. M. GREAVES; Dr. R. C. HAYNES; Mr. W. O. FRANKLIN; Mr. M. A. KING and Mr. L. A. WEEKES — 9.

THE ADJOURNMENT

Hon. L. S. CRAIG: Mr. Deputy Speaker, that brings us to the end of Government Business for the evening.

I beg to move that this House do now adjourn until Tuesday, 8th May, 1984 at 12 o'clock noon.

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

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

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